The Spectator:

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FOURTH of July is here, and it is expected that New York city, in common with the rest of the country, will be unusually noisy, boisterous and pyrotechnical. Manufacturers of fireworks and other explosives report sales of their destructive wares largely in excess of the ordinary, and it is evident that patriotism of the demonstrating kind will be on the rampage to-day. The authorities in New York have adopted precautionary measures against fires and accidents, but it is not in their power to control every individual who helps to make up a population of four millions in the aggregate. According to the regulations of Bureau of Combustibles the sale of fireworks is confined this year to the dates between June 24 and July 4. Heretofore the time was one month, but at the earnest solicitation of the police department it was reduced to two weeks. But this is sufficient time in which to lay the foundation for numerous fires and accidents, fatal and otherwise.

ON Friday of last week the grand jury handed to Judge Foster of the General Sessions a number of indictments, among the accused being George R. Scrugham, Charles Stirrup and Charles F. Carrington. Mr. Scrugham was the manager of the International Policyholders Committee, and the others were his assistants, and these three, aided by Samuel Untermyer, attorney, carried on the campaign against the Mutual Life and the New York Life for the election of trustees in those companies. The final canvass of the votes cast showed the disastrous defeat of the committee's nominees, and also revealed the fact that fraud had been perpetrated in the manipulation of ballots sent to the international committee by policyholders. District Attorney Jerome took the matter in hand, and after an investigation laid the evidence he had secured before the grand jury with the result that three indictments for forgery in the second and third degree and one for conspiracy were found against Scrugham, one for conspiracy and one for forgery in the third degree against Stirrup, and one for conspiracy against Carrington. The latter turned States evidence and is not likely to be prosecuted. The conspiracy charge sets forth that on December 10, 1906, Scrugham, Stirrup and Carrington had in their possession 4000 ballots cast by policyholders of the New York Life, all of which were legally defective in not being signed by the policyholders in the presence of subscribing witnesses, and all of which were forwarded to the home office of the New York Life by the trio and counted as legal ballots. These are the ballots that the accused are charged with "perfecting" by having their employees sign them as subscribing witnesses. These are the men who, during the campaign, were vociferous in charging the companies with all sorts of fraud, and doing all in their power to make policyholders dissatisfied. No punishment that can be awarded them can compensate for the injury they did in causing policyholders to allow their policies to lapse, leaving them uninsured. The trial of these alleged conspirators will probably not take place before the fall term of the courts, which is to be regretted.

THE Legislature of New York State adjourned last week without having perpetrated much of good or evil in insurance matters. The bill providing for elections of trustees in mutual life insurance companies, to remedy the monstrosity that the Armstrong committee forced through a previous session was passed by both Houses. In its original form it was intended to penalize any agent who interested himself in such election, but as such penalty could not be enforced against agents outside of the State, the bill was amended so as to permit agents to participate in such election campaigns, provided they do so in their own time, and not at the expense of the companies. It is understood that Governor Hughes approved of the more drastic measure and may veto the bill as passed. In any event it is difficult to see how any act of the legislature can deprive thousands of respectable and honorable persons of their rights of citizenship simply because they represent life insurance companies. They will be very apt to act as their judgment dictates, regardless of any such prohibitive legislation.

IN the Fortnightly Supplement to The Spectator this week, the series of tables covering the annual and deferred dividends of life insurance companies is completed. The companies were required to state in connection with their dividend schedules the precise methods by which the dividends were calculated, and some of these explanations appear in the Supplement, the remainder to appear next week. The complete work Annual and Deferred Dividends is now ready for distribution. In addition to the tables that have appeared in The Spectator, there is also given for each company a table of net cost per $1000 in 1906, the entire book making some 128 pages. These tables of net cost will also be attached on flaps to the covers, so as to facilitate ready comparison. Annual and Deferred Dividends is handsomely printed and bound in flexible leather, and sells at $1.50 per copy. All orders addressed to The Spectator Company, 135 William street, New York, will be promptly filled.

Lapses, Death Losses and Membership in Assessment Societies.

Name and Location of Company.	Commenced Business.	Policy Account. 1896. Written.	1896. Lapsed.	1901. Written.	1901. Lapsed.	1906. Written.	1906. Lapsed.	Membership. 1896	1901.	1906.	Deaths Occurring. 1896.	1901	1906.	Ratio of Death Losses per 1000. 1896.	1901.	1906.
Telegraphers Mut. Benefit, N. Y. City	1867	555	167	373	196	316	175	4,578	5,152	5,481	50	73	77	10.92	14.17	14.15
N. Y. Physicians Mut. Aid, N. Y. City	1868	84	49	135	36	170	25	1,347	1,609	1,827	21	15	24	15.50	9.32	13.58
Southern Tier Mas. Rel., Elmira, N. Y	1868	895	980	541	464	203	226	1,090	1,826	1,485	50	54	36	45.87	29.57	23.76
Expressmens Mut. Benefit Ass'n, N. Y. City	1869	909	667	440	599	974	795	5,601	4,434	3,162	72	71	44	12.86	16.01	14.22
Free Sons of Israel, New York	1871	458	419	377	339	...	224	11,681	11,067	10,920	175	204	241	15.00	18.43	22.13
Insurance Clerks Mut. Ben., N. Y. City	1872	154	8	74	5	50	68	614	659	1,036	10	12	16	16.29	18.21	15.19
Masonic Life Ass'n, Buffalo, N. Y	1872	1,611	1,235	1,140	588	1,579	670	8,207	7,122	9,255	121	117	138	14.74	16.43	15.53
Knights of Honor, St. Louis, Mo	1873	8,358	24,800	2,854	5,307	4,413	5,525	96,633	55,773	37,556	2,137	1,706	1,458	22.12	30.59	37.56
A. O. United Workmen, Buffalo, N. Y	1874	973	1,938	3,420	2,001	110	14,029	26,192	31,302	5,249	475	558	385	18.14	17.83	31.04
Masonic Life Ass'n, Oswego, N. Y	1875	19	63	7	6	2	26	300	300	211	5	3	9	15.38	9.96	39.47
Golden Cross U. O. of Knoxville, Tenn	1876	7,820	2,653	2,322	2,152	2,170	1,998	32,506	25,326	20,101	307	382	353	9.44	15.08	18.38
Mutual Benefit Ass'n, Riverhead, N. Y	1876	35	18	16	22	31	26	1,538	1,534	1,541	11	23	33	7.15	14.99	21.38
Totals and averages (12 companies)	....	21,871	32,997	11,699	11,715	10,018	23,787	190,287	146,104	97,824	3,434	3,219	2,814	18.05	22.04	28.77
Catholic Knights of Amer., St. Louis, Mo	1877	2,903	1,158	2,516	1,415	2,909	607	24,041	23,772	19,243	348	465	414	14.48	19.56	22.63
Jewelers League, New York	1877	63	47	71	21	38	190	2,431	2,056	1,630	25	69	44	10.29	33.56	25.46
Kts. and Ladies of Honor, Indianapolis	1877	6,294	10,527	7,912	4,925	20,027	12,120	70,927	51,808	89,785	1,061	964	1,310	13.55	18.61	15.16
Knights of Pythias, Chicago	1877	10,990	4,662	14,825	23,590	15,121	7,935	46,833	57,075	81,819	483	721	902	10.32	12.63	11.51
Royal Arcanum, Boston	1877	22,452	4,520	31,055	7,622	8,393	19,158	190,261	231,132	240,894	1,731	2,375	3,097	9.09	10.28	12.49
Stafford Benefit Ass'n, Stafford, N. Y	1877	15	24	8	24	70	10	679	638	729	8	6	5	11.78	9.40	7.13
Gold and Stock Life Ass'n, N. Y. City	1878	75	39	89	31	45	29	930	1,101	1,161	10	11	18	10.75	9.99	15.49
Improved Order Heptasophs, Baltimore	1878	8,665	1,825	4,522	8,680	10,163	4,443	31,921	50,304	70,904	244	640	812	7.64	12.72	11.86
K. T. & Masonic Mut. Aid, Cincinnati	1878	620	263	3,211	560	639	309	4,945	8,779	8,674	68	159	168	13.75	18.11	19.55
Scottish Clans, Order of, Boston	1878	748	253	1,075	496	1,561	739	3,936	6,577	10,101	32	63	108	8.13	9.58	11.08
Bankers Life Ass'n, Des Moines, Ia	1879	8,911	2,512	11,561	2,802	25,500	5,697	43,377	79,883	145,874	244	504	855	5.62	6.31	6.27
Catholic M. B. Ass'n, Hornellsville, N. Y	1879	5,010	1,239	7,201	1,294	2,303	1,723	40,150	56,684	57,415	391	639	803	9.74	11.27	13.96
Pilgrim Fathers, U. O. of, Lawrence, Mass	1879	2,165	654	1,183	874	597	764	21,463	22,345	19,129	208	275	305	9.69	12.31	15.74
Protective Life Ass'n, Rochester, N. Y	1880	730	540	514	551	612	636	3,686	3,935	3,847	40	63	66	10.85	15.81	16.96
Catholic Benev. Legion, Brooklyn, N. Y	1881	6,026	1,498	2,051	5,044	604	629	45,051	38,286	19,466	597	705	480	13.25	18.41	24.34
Foresters, Independent Order, Toronto	1881	24,124	7,280	28,826	13,048	35,493	20,186	102,838	192,086	246,736	527	1,336	1,860	5.12	6.95	7.75
National Union, Toledo, O	1881	5,419	4,437	8,843	4,469	5,888	5,344	46,782	61,946	60,790	406	580	773	8.68	9.36	12.69
Totals and averages (17 companies)	....	105,210	41,510	135,463	75,446	129,963	80,519	680,251	888,457	1078197	6,423	9,575	12,020	9.44	10.76	11.15
Knights of Columbus, New Haven, Conn	1882	3,377	366	3,887	1,291	9,017	1,724	13,258	32,790	56,405	73	242	363	5.51	7.38	6.90
Knights of the Maccabees, Port Huron	1883	32,046	14,580	[illegible]	18,828	20,170	30,913	118,767	240,299	285,823	568	1,492	2,325	4.79	6.21	7.95
Knights of St. John and Malta, N. Y. City	1883	509	595	141	622	129	457	3,773	2,821	2,259	26	59	40	6.90	20.92	16.36
Modern Woodmen, Rock Island, Ill	1883	62,852	18,074	125,374	38,697	128,434	36,795	206,536	621,700	801,254	870	2,835	4,222	4.21	4.56	5.57
National Provident Union, N. Y. City	1883	853	869	256	298	396	425	5,912	3,073	3,979	93	60	66	15.76	19.54	16.39
Prov. Ass'n of Newtown, L. I., Maspeth	1883	9	12	16	8	6	†	480	455	412	6	11	†	12.50	24.18	.....
Royal League, Chicago, Ill	1883	3,157	648	3,177	2,040	5,257	2,101	16,629	20,635	30,450	90	181	230	5.41	8.77	7.94
Templars of Liberty, N. Y. City	1883	121	366	21	338	17	162	3,114	1,288	355	51	29	22	16.38	22.52	50.11
Fraternal Mystic Circle, Philadelphia, Pa	1885	3,989	2,532	5,798	3,074	3,720	3,048	11,669	15,908	15,021	71	119	154	6.09	7.48	11.06
Emp. State Deg. of Honor, Stockton, N. Y	1886	1,966	462	1,060	358	1,026	1,101	4,106	7,730	8,505	17	74	97	4.14	9.57	11.36
Protected Home Circle, Sharon, Pa	1886	6,056	2,287	11,075	4,869	12,204	8,271	19,589	41,597	60,771	116	291	554	5.92	7.00	9.37
Totals and averages (11 companies)	....	114,935	40,791	201,592	70,423	180,376	83,273	403,833	988,296	1265232	1,981	5,393	8,073	4.90	5.45	6.38
New England Order of Protection, Boston	1887	2,929	671	3,187	1,431	5,385	1,624	20,189	30,617	44,633	162	624	438	8.02	8.62	10.19
Loyal Ass'n, Jersey City	1889	1,353	80	777	105	525	277	5.108	6,491	7,541	29	64	79	5.68	9.86	10.59
American Temperance Life, N. Y. City	1889	1,011	673	503	547	911	1,074	3.955	4,240	8,912	34	64	150	8.60	15.09	16.54
Ladies Cath. Benev. Ass'n, Erie, Pa	1890	7,929	138	12,405	337	4,891	†	24,281	68,762	91,827	111	475	742	4.57	6.91	8.16
Lad. of the Maccabees, Ann Arbor, Mich	1890	4,096	761	16,003	3,633	16,279	11,222	24,515	77,223	128,336	148	483	834	6.04	6.25	6.61
Woodmen of the World (S. C.), Omaha	1891	29,156	11,789	48.199	23,892	86,885	15,105	50,110	153,017	330,720	286	1,127	2,299	5.71	7.36	7.60
Order of the Amaranth, Detroit, Mich	1891	292	111	261	108	315	248	953	614	2,057	4	5	15	4.65	9.26	7.48
Cath. Relief and Beneficiary Ass'n, Auburn	1893	1,188	453	1,012	353	872	333	3,781	6,316	8,954	27	60	97	7.88	9.97	11.11
Foresters, United Order, Milwaukee	1893	740	430	2,668	1,182	4,014	2,190	1,419	6,004	13,384	4	32	99	3.15	6.06	7.90
Ben Hur, Sup. Tribe, Crawfordsville, Ind	1894	6,679	1,374	19,527	6,594	14,963	9,176	8,801	54,836	93,130	25	31	795	4.05	6.26	8.77
Gleaners, Ancient Order of, Caro, Mich	1894	1,445	122	6,261	680	6,429	2,929	3,131	24,574	49,320	12	105	243	4.86	4.82	5.09
Columbian Knights, Order of, Chicago, Ill	1895	1,810	394	2,187	4,337	1,631	2,899	2,240	9,509	11,657	11	70	124	7.15	6.59	10.03
Court of Honor, Springfield, Ill	1895	9,568	261	10,129	4,647	10,147	9,091	11,150	53,582	57,163	18	304	415	2.76	5.96	7.30
North American Union, Chicago, Ill	1895	661	82	1,986	859	†	†	1,273	8,429	67,557	6	45	†	3.04	5.70	†
Royal Neighbors of America, Rock Island	1895	4,017	184	13,583	2,147	21,544	2,720	5,752	60,722	115,593	16	306	578	4.17	5.55	5.42
Woodmen Circle, Omaha, Neb	1895	†	†	4,305	4,162	11,764	5,059	†	11,848	39,271	†	101	275	†	8 53	7.64
Fraternal Censer, Dayton, Ohio	1895	†	†	1,400	830	928	558	†	2,162	2,681	†	16	23	†	8.49	9.17
Mystic Workers of the World, Fulton, Ill	1896	1,406	190	5,063	1,595	6,856	2,890	1,210	17,616	39,309	6	74	210	4.95	4.65	5.61
International Congress, Dowagiac, Mich	1896	300	3	1,026	639	21	177	297	2,897	1,195	...	17	18	.....	6.27	14.04
Fraternal Union of America, Denver, Colo	1896	†	†	7,857	4,139	6,158	3,284	†	19,479	27,344	†	131	188	†	7.41	7.23
Totals and averages (20 companies)	....	74,480	17,716	158,339	62,216	200,518	70,856	169,065	618,932	1140584	899	3,687	7,379	5.32	5.95	6.47
Grand totals and averages (60 companies)	....	316,496	133,014	507,093	219,801	'520,965	288,435	1443436	2641789	3481837	12,737	21,874	30,286	8.83	8.28	8.70

† No report.

LAPSES, DEATH LOSSES AND MEMBERSHIP IN ASSESSMENT SOCIETIES.

THE horde of assessment societies which some ten to twenty years ago overran the entire country has now been reduced to a mere handful and the public has learned by bitter experience that life insurance is only cheap when there is absolute certainty of the contracts being paid at their maturity. In the era during which these business associations flourished, many thousands of persons found to their sorrow, that they had been depending on a broken reed for their support, and while there cannot be any denial of the fact that many millions of dollars were distributed to widows and orphans before adversity overtook the societies through the operation of the law of mortality, still the harm done in lessening the faith of the public in life insurance generally, more than outweighed the good.

At the present time the great bulk of business on the assessment plan is in the hands of the fraternal orders, there being but one business organization of any prominence. That organization has from the start worked along unique lines among a preferred class of risks, while its careful medical selection and rigid economy of management have been potent factors in aiding it to maintain an apparently prosperous existence. Fraternal orders have, in recent years, come to realize that their plans are inherently unsound, and all sorts of devices have been employed to prop them up with a view to keeping the membership intact. Such actions have, in most cases, had only a temporary effect, and the orders that have the largest membership find it almost impossible to hold their own after having once admitted their inability to supply insurance at the original rates. One large order which increased its rates some two years ago has had to admit a decrease in membership for every month but two in that period, and the gains made in those two months were lost in the succeeding months. Credit must be conceded to the managers of many fraternal orders for their efforts to place the business upon a more sure foundation, but their efforts are, in general, foredoomed to failure, owing to the fact that through their system of government by personal representation, delegates ignorant of the fundamental principles of life insurance force through a compromise plan. Such compromises are in general only likely to make confusion worse confounded.

The extensive tabulation herewith shows the new business, lapse, membership and death rate experience during the past decade of sixty associations transacting business on the assessment plan. The age of these societies ranges from ten to nearly forty years. In the lapse column there is clearly shown the effect of the increasing death rate in driving out the members who are unable, or unwilling to pay the increased cost, which, under the assessment plan, a high death rate necessarily causes. Those who remain in spite of the high death rate do so because, as a rule, they cannot obtain insurance elsewhere and hope that the concern will at least last out their time.

Three years of the past decade are covered by the tabulation which is divided into four groups determined by the ages of the societies listed. Group number one embraces twelve organizations that have been in existence thirty years and upwards. It shows that the new certificates issued in 1906 were less than fifty per cent of the number issued ten years ago, while the lapses are more than twice as numerous as the new issues and the death rate of most of them has reached a very high figure. Their membership has steadily fallen off and is but slightly over fifty per cent of that shown at the beginning of the decade. In group two are given seventeen societies between twenty-five and thirty years of age, the aggregates showing an increasing lapse rate, a decline in new business and a steadily rising death rate. The third group, which includes the largest fraternal order in the country, also shows the same tendencies toward decreased new business, coupled with increasing lapse and death ratios. Group four includes societies between ten and twenty years of age and also shows a largely increased lapse rate during the decade in spite of the heavy influx of new business, while the death rate is steadily rising. The summation for the entire group shows that nearly 3,500,000 members carry certificates in these sixty societies, indicating a gain of over 140 per cent in the decade. The number of deaths has increased in slightly higher proportion, while the lapses to new issues were over fifty-five per cent in 1906 as compared with forty-two per cent in 1896.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

At the June meeting of the executive committee of the National Board of Fire Underwriters, the Svea of Gothenburg was elected to membership. The Tennessee corporation tax, which went into effect July 1, was considered, and members were advised to pay the fees in order to escape the heavy penalty attached for failure to comply with the law. The matter was referred to the committee on laws and legislation. The present law fixing a tax of two and one-half per cent upon premiums provides that this shall be in lieu of all other taxes.

On recommendation of the committee on minimum rates, the New York Fire Insurance Exchange took off five of the thirty per cent advance on District 1 of Jersey City, and 5 per cent off the rest of Jersey City. An extra five per cent was also taken off District 1 for improvements in water supply.

B. Fred. Huntington and C. M. Price, composing the firm of Huntington & Price, have opened an office at 125 East Twenty-third street, and will represent the Kelly & Fuller and the Loeb & Barry companies.

The Hanover Fire has declared a semi-annual dividend of five per cent.

A circular emanating from the office of P. Defrenois of New York contains reference to the honorable record of French companies doing business in this country, and an offer of thirty per cent commission for business. Enclosed is a printed slip headed: "Surplus lines. List of the French companies doing business in the United States." The list embraces Starkweather & Shepley's French companies in conjunction with the concerns represented by Defrenois. Starkweather & Shepley have advertised a notice giving the names of the companies represented at their office, and saying that "the letters of P. Defrenois intimating that he can furnish policies in these offices are misleading and unauthorized by us. No business will be transacted by any of our offices through or with Defrenois in any manner whatsoever."

The loss papers sent out with the proofs of the claims under policies of the International Tailoring Company by the fire of May 21, indicate loose work on the part of the brokers and carelessness by the insured. The report says the policies were marked "non-concurrence." Several mentioned specific floors on which the property was covered, others omitted this provision, and in others the pattern limit required by the Exchange was also omitted. The latter discovery reveals carelessness

on the part of the companies and suggests a violation of the Exchange rule calling for action. Luckily the loss was trifling and the non-concurrence was unimportant; but if it had been nearly or quite total, it is likely the policy omissions might have led to trouble.

The number of permits issued for the sale of fireworks this year is much less than in former seasons, and the period is lessened to twenty instead of thirty days as formerly. Strangely, the worst offenders are the people of the east side, where the fire-cracker explosives are used by the children of foreigners, a majority of whom have no more conception of what the 4th of July means to this country than they have of a Chinese pagoda.

A friend has shown us an advertisement of the Sun of London offering policies to cover fire, personal accident, sickness and disease, fidelity, guarantee, burglary, workmen's compensation and employers liability, including accidents to domestic servants. Evidently our English friends go in for lines of insurance at home they are not permitted to accept in this country, and which are prohibited to American companies. There is a tendency in some States to broaden the privileges of the strictly fire offices to include sprinkler leakage and automobile accidents, but in general the restrictions are narrow.

A recent change in the supervision of the new high-pressure, sometimes called the salt water, service in the congested district is an indication that the recent criticism of the inferior manner in which that very important work has been done has borne fruit. The city authorities in theory are bound to exercise the most rigid supervision and to insist upon the very best possible work in carrying out this system, but politics and carelessness combined have thus far interfered with the theory in practice. The salt water auxiliary service has shown its usefulness in the work of the fireboats on the river front in the last fortnight upon two occasions. Its extension is earnestly desired.

The brokers generally lament the failure of the bill introduced into the Assembly some time ago providing for a State license to brokers and applying to fire and life solicitors. The brokers are willing to pay a fee for such a license and do not object if it is a large fee. They want the license limited to citizens of the State, so as to exclude agents and others living at a distance, and they would have the Exchange certificates limited to holders of State licenses. The companies are indifferent on the subject, although many of the shrewdest officials believe a strictly State license would deprive the Exchange of the right to regulate the terms of its own certificates.

The delay in beginning work on the proposed new automatic signal alarm telegraph by the city is becoming almost a public scandal. There are several salaries involved in the proposition, and one theory of the delay is that if the work is expedited, the terms of the salaried men will the sooner expire. The old system is admittedly defective, and its continuance is a menace to prompt alarms.

There was a special meeting of the Exchange a week ago to consider the report of the committee on the Jersey City situation. The report provided for the creation of two districts, in which improvements in the water supply and fire department warranted the repeal of the ten per cent advance ordered more than a year ago on account of deficiencies. The authorities of Jersey City have not responded to all the requirements of the Exchange, but in many particulars have complied so far as to justify the reduction in rate. In order to head off the over-zealous brokers from replacing old policies at new rates, it was resolved that no pro rata cancellations of policies written prior to May 1 be obtained.

The question of a quorum at the regular Board meetings troubles some of the companies because of the regularity of the failure. It has been asserted that a quorum has not been present in several months, and at the last meeting no action could be taken for appropriating money lest it should be called into question as illegal. There are similar complaints with reference to committee sessions, which are too frequently adjourned for want of a quorum. The Exchange, on the contrary, appears to have no difficulty with the quorum question.

A building at Third avenue and 190th street was set on fire in 1900 by defective electrical insulation, the companies interested paying losses amounting to about $10,000. The companies then sued the Edison Company for damages on the ground that defective insulation caused the fire. The first action was brought by the German-American, which won in the Appellate Division and later in the Court of appeals. On Saturday last, the question of responsibility of an electric power company in fires resulting from defective wiring and insulation was finally settled by a decision of the Appellate Division which gave a verdict of $15,000 damages to the Continental against the Edison Company.

Whilden & Hancock, general agents of the Austin Fire, which has just entered New York State, have appointed Daniel T. Walden as agent for New York city and the Brooklyn shore line.

Charles Hostmann, manager of the Jersey City office of the J. M. Byrne Company, has discontinued his connection with the firm, to become agent in Jersey City for the Royal Exchange and in Hoboken for the Rochester German.

Ten Broeck, Morse & Co. have been appointed agents for the Metropolitan district, including Brooklyn, for the Commonwealth Fire of Dallas, Tex., which has just been admitted to New York State.

BOSTON AND VICINITY.

July 1, Charles Liffler, Jr., became a member of the insurance agency firm of Kaler & Carney, the name being changed to Kaler, Carney & Liffler.

Gilmour & Coolidge now represent the Spring Garden in the metropolitan district of Boston.

William H. Smith of Boston is to go to Hartford as the associate of C. E. Parker in the management of several companies, including the Insurance Company of North America.

A bill which has passed the legislature regulates the value of real estate holdings, which was fixed at a sum sufficient to yield at three per cent the average amount of the net rental for three years next preceding. It may now be valued at a higher sum if the company is able to show, to the satisfaction of the Insurance Commissioner, that the real estate is worth the higher amount.

The midsummer meeting and outing of the Massachusetts Association of Local Fire Insurance Agents has been postponed to September from June 29.

The Richmond Fire Insurance Company of New York has been admitted to Massachusetts. Darling & Russell will represent it in Boston.

Guy E. Beardsley, assistant secretary of the Ætna, has been elected a member of the New England Insurance Exchange.

The Boston Board of Fire Underwriters has adopted the following amended rule relative to the storage of celluloid:

In all buildings where celluloid is used, handled or stored, the amount on hand at any one time must not exceed 250 pounds, and in manufacturing risks where celluloid is used the dust from the machines must be removed by blower system to a fireproof receptacle outside the building, and all waste and scrap must be kept in metal cans and removed from the building at night.

The tariff committee of the board recommended the adoption of the following:

In all mechanical and mercantile establishments, except paint and oil stores, garages and retail drug stores, benzine and other light distillations of petroleum is permitted. If the amount permitted, or the amount of rubber or gutta percha cement to be used exceed two quarts, it shall, in all cases, be limited to one day's supply.

In paint and oil stores and garages, the amount shall be limited by the amount printed on the rate card. In retail drug stores an amount not exceeding five gallons may be kept in sealed bottles not larger than one pint in size, provided that no filling of said bottles is allowed on the premises.

NOTES FROM PHILADELPHIA.

Under the act passed this year by the Pennsylvania Legislature providing for two inspectors in the Insurance Department, Governor Stuart, on June 26, appointed William A. Hazlett of Philadelphia and A. B. Hitchcock of Tioga to the positions.

Although it has only been a short time since companies permitted the clause to be inserted in policies, that the same should not be invalidated by the act or neglect of any servant or tenant of the insured which had not come within his knowledge, the recent action of the association in prohibiting the insertion of such a clause or others of

like effect has caused considerable dissatisfaction among the insured. A prominent underwriter in commenting on the subject takes occasion to say that in his opinion companies are to be censured for their readiness to meet competition by granting all sorts of concessions without receiving any compensation therefor. He says:

In so far as the above clause is concerned I doubt whether the insured is any worse off with it left out of his contract than he would be with it in, but on the other hand, as an example of liberality, I would call attention to the mortgage clause freely put upon policies, which in effect is quite as far reaching as the above clause, and I would suggest that the association be at least consistent and either order its discontinuance or provide some charge for it and other clauses which waive important conditions of policies.

Six shares of stock of the United Firemens sold at auction last week at $19¼ per share.

It is becoming so general to grant privileges to use small quantities of benzine and gasoline in the forms attached to policies covering dwellings and contents, that the Philadelphia Suburban Underwriters Association has adopted a privilege which is the only one which can be used without charge. It is as follows:

Privilege is hereby given to keep not exceeding one pint of gasoline for domestic use.

The same association rules that it is now necessary to either prohibit the use of the electric current in policies issued covering property in Camden County, N. J., or attach such a privilege under a certificate which they will issue when the wiring is found to be up to the standard required.

THE MIDDLE STATES.

—Frederick Locke of Syracuse, one of the best-known insurance men in the State, died last week from apoplexy.

—The Allegheny Fire has been admitted to New York State. Newman & McBain of New York city represent the company for the Metropolitan district.

—The Commonwealth Fire of Dallas, Tex., has been licensed in New York State. Later on, after the business in New York State has developed. the company will enter adjoining States.

—A temporary injunction restraining the Colonial Fire of Onondaga County, N. Y., a co-operative concern, from doing business, has been granted by Justice Foote.

—The New York State Association of Local Fire Insurance Agents elected the following named officers: President, Robert S. Paviour, Rochester; vice-presidents, W. H. Hecox, John A. Halquist, Frederick W. Swan, Glen H. Johnson, A. W. Harrington, Calvin Onderdonk; secretary and treasurer, Richard L. Wood, Buffalo.

—The Pine Forest Fire of Charleston, S. C., has appointed J. C. Hipkins & Co. of New York, its general agents for New England, New York, New Jersey, Delaware and Maryland, and all territory north of the Ohio and east of the Mississippi rivers. The company expects to commence business by August 15.

THE WEST.

News Items From Ohio.

[From Our Own Correspondent.]

Field representatives of non-union companies claim that the union companies are cutting rates over the State much more than they themselves are. They state that conditions are getting worse all the time and that the business will, before long, become very unsatisfactory. It is known that many companies are taking business at whatever rates are offered, claiming that competition forces such action, but the whole trouble came about by the attractive rates that were made in a State that has proved profitable for several years past. Not only new companies, but all companies were anxious to get some of the business and the result will be that they will lose out, if the practice of taking the business at a cut is continued.

It is said that Toledo agents realize their mistake in disbanding their local association when the Dean schedule was introduced there and that they will now reorganize. They gave as an excuse at that time that they did not want to continue an organization in violation of the State laws, but the decision of Judge Washburn in the Lorain county matter has put a different view of the matter before the agents. The association movement in the State may become a little more aggressive following this decision, although it will probably not go back to the old standard.

In two cases decided a few days ago, the Ohio Supreme Court makes it plain that insurance can not be recovered on a building destroyed while vacant, when the insured has given the company no notice of such vacancy, as is required by the policy contract. Both cases had been decided in favor of the insured in the lower courts, and both are reversed by the Supreme Court.

Attorney-General Ellis has rendered an opinion to the effect that the law providing for the formation of salvage corps is unconstitutional, and this may interfere with the plans of the Cleveland agents in providing for the protection of the property of their clients, as had been partially planned.

Benjamin Cohen has been arrested at Cleveland on the charge of having attempted to burn his meat shop. His partner has confessed to a part he played in the matter, although he says he refused to set the fire.

Manufacturers along the Erie Railroad, east of Fifty-fifth street, Cleveland, have agreed to advance the money for a high-water pressure system for the protection of the shops and factories, the city to refund the amount later on. It may be that the city will accept the offer, as the improvement would be valuable in the protection of property and the reduction of insurance rates. O. M. C.

Cleveland, June 29.

Ohio Observations.

[From Our Own Correspondent.]

It is rumored that the Royal is figuring on reinsuring in the American of Newark all of the German of Freeport business still in force in Western agencies.

One of the newer companies has a daily report which calls for answers to about ten very ordinary questions on its face and whose reverse is an absolute blank. The company is employing a per diem special to place its supplies throughout the State, and one of the points which he argues in favor of his proposition is the ease with which the agent can do business with the company through the medium of a practically blank daily report. Other arguments are the willingness of the company to write almost anything and to pay richly for it. Some of the other companies are wondering just where the aggregation will "get off."

The Ohio German of Toledo, which has been looking out for good field men and endeavoring to place itself on a high plane, has arranged to have Thomas H. Smith of Dayton, for many years State agent of the German of Freeport and a great power with many agents, act as Ohio special agent. The company expects to co-operate with the various inspection bureaus and to be known as an affiliating company.

J. E. Innis, a local agent at Williamsburg, Ohio, becomes one of the assistant special agents of the German American and the German Alliance in Ohio under State Agent Dye.

William J. Beggs of Columbus, special agent of the Ætna, becomes special agent of the Fidelity and Continental in Southern Ohio.

Columbus, June 29. CHRISTOPHER.

—The Sun of New Orleans is entering Arkansas through L. B. Leigh as general agent.

—The Queen of New York has entered Arkansas through the general agency of G. L. Meyers & Co.

—The Austin Fire has withdrawn from Colorado, reinsuring its business in the Imperial Fire of Denver.

—The Shawnee Fire has entered Iowa through the general agency of J. S. Anderson & Son, Cedar Rapids.

—Thomas H. Smith, formerly with the German of Freeport, has been appointed Ohio State agent of the Ohio German.

—A branch of the Underwriters Laboratories of Chicago has been established at Indianapolis, with T. M. Goodloe in charge.

—H. A. Lingenfelser of Milwaukee has been appointed a special agent of the Cooper of Dayton, to assist J. P. Jaminet in Wisconsin.

—W. J. Beggs, Ohio special agent of the Ætna, has resigned to accept the Southern Ohio special agency of the Continental of New York, with headquarters at Cincinnati.

—The Illinois Field Club has elected the following named officers: President, M. L. C. Funkhouser; vice-president, James G. S. Best; secretary and treasurer, Miss L. B. Herpick.

—The Illinois Field Club has decided upon separation between affiliating and non-affiliating companies in Illinois. A limit on the commission to be allowed the agent was also favored.

—Frank N. Brown, Michigan special agent of the Caledonian of Edinburgh, will succeed the late Byron G. Stark as manager of the company's Western department at the head office.

—J. A. Bawden, Iowa special agent of the Home of New York, has been appointed special agent of the Northwestern Underwriters for Illinois and Indiana, succeeding L. E. Cate, resigned.

—E. E. Rittenhouse, formerly deputy in the Auditor's office and in charge of the Colorado Insurance Department, has been appointed Commissioner under

the new law which became effective July 1. Morris Lehmann has been appointed by the Commissioner as his deputy.

—Dempster Ostrander, for over thirty years with the Western department of the Phenix of Brooklyn, died last week at his home in Chicago, after an illness of two weeks. He leaves a widow and two married daughters.

THE SOUTH.

Quarter-Centennial History of the South-Eastern Tariff Association.

Under the above title, a committee consisting of S. Y. Tupper, chairman; F. C. Calkins and Chas. C. Fleming (now deceased), has had prepared, and the association has published, a book of about 300 pages, covering the essential features of the association's history since its inception in 1882. The work of collecting and putting in shape the data for the history was admirably performed by Major Thos. Peters, the first secretary of the association, whom President Dargan invited to serve with the committee. The book describes the conditions leading up to the formation of the association and reviews the important matters brought before its successive meetings, also setting forth in permanent form much other information which will be of growing interest as the years roll on. The history will be carefully preserved in the libraries of the members of the association.

It is a matter of deep regret among the members of the association and his many other friends, that Charles C. Fleming, for nearly twenty years secretary of the association, hardly lived to see the completion of the work commemorating the twenty-fifth anniversary of the organization, in the successful conduct of which he had so ably assisted. Although he was present at the Hot Springs meeting in May last, he soon afterward was stricken by the illness which resulted fatally a few days ago.

—The Spring Garden has entered Virginia.

—The Firemens of Newark has entered Tennessee.

—The Shawnee Fire has entered Georgia. Its Atlanta agency has been placed with Hatch & McGaughey.

—The Southern Home of Bartow, Fla., has been admitted to membership in the South-Eastern Tariff Association.

—A company styled the Capital City Fire is understood to be in process of organization at Washington, D. C.

—W. V. A. Keeler has been appointed special agent of the Continental for Maryland, District of Columbia and Delaware.

—The Louisville Board of Fire Underwriters has taken the first step in the direction of putting the Dean schedule into effect in that city.

—The South-Eastern Tariff Association's committee of conference on commission question is announced as follows: Milton Dargan, ex-officio, chairman; E. H. A. Correa, W. B. Clark, W. N. Kremer, E. C. Irvin, R. M. Bissell, H. W. Eaton, Frank Lock, J. L. Cunningham.

—The North Carolina business of the North British and Mercantile of London in 1906 was as follows: Premiums, $20,593; losses incurred, $12,550; loss ratio, 60.9 per cent.

—Judge Palmer of Memphis, Tenn., has assessed a fine of $100 against L. H. Dowd, upon a plea of guilty of soliciting insurance for a company not regularly admitted to Tennessee.

—Fred C. Clark of Atlanta has been appointed special agent of the Insurance Company of North America and the Alliance, for North and South Carolina, succeeding A. L. De Rossett, Jr.

—According to the report of the fire engineers of the National Board's committee on fire prevention, there is a serious conflagration hazard in the congested district of Lynchburg, Va.

—Local agents in the South are making strenuous objections to the appointment of their competitors on important committees of the South-Eastern Tariff Association while acting as local agents.

—It is understood that the Insurance Commissioner of Georgia will recommend that the deposit in that State be increased from $10,000 to $25,000. The local agents are stated to favor the increase.

—The Texas Fire Prevention Association has elected the following-named officers: President, Jesse E. White; vice-president, J. P. Cochran; secretary, John Minor; assistant secretary, C. Broulette.

—Charles C. Fleming, secretary of the South-Eastern Tariff Association, who died last week, had been secretary of the association since 1886. At a representative meeting of underwriters suitable resolutions were passed to his memory.

—M. Wolf & Son, general insurance brokers, of Baltimore, Md., have been appointed agents for the Dubuque Fire and Marine Insurance Company of Dubuque, Ia., and the German Fire Insurance Company, Peoria, Ill. They are also policy writing agents for the following companies: Western of Canada, Sun Insurance Office, London Assurance, Commercial Union, Northern of England, Queen of New York, Fire Association of Philadelphia, Pennsylvania Fire, Phœnix of Hartford, St. Paul Fire and Marine.

MISCELLANEOUS FIRE NEWS.

Business in 1906 of British Fire Insurance Companies.

The London Times has prepared a series of tables relating to the experience of the British fire insurance companies in 1906, which are combined below. It said, in part, in connection with these exhibits:

British fire insurance companies have had disastrous years during their long history, but not one to compare with 1906. The San Francisco fire, following the earthquake, was far and away the worst conflagration which has ever been experienced since fire insurance began. They were the more heavily hit because San Francisco had been regarded as exceptionally well equipped with fire extinguishing appliances and as a city in which very considerable lines could safely be run. It is fortunate that the year 1906 was generally favorable to fire insurance operations. The profits which have been earned on most classes of business and in most countries have gone a long way to make up for the exceptional amounts paid out in claims on the one great conflagration. It will be seen from the table which we give below that the declared San Francisco losses of the companies in our list amount to over 10,000,000 sterling, while the actual deficit

BUSINESS IN 1906 OF BRITISH FIRE INSURANCE COMPANIES

COMPANY.	Fire Funds on Dec. 31, 1906 (Excluding Capital).		Premiums in 1906.	Surplus or Deficit After Providing for Claims and Expenses.		Net Losses in San Francisco Disaster.	Interest Receipts Less Tax and Fixed Charges.		Dividends to be Paid on Account of 1906.	
	Amount.	Net Changes.		Amount.	Per cent of Premiums.		Amount.	Increase in Year.	Amount.	Increase over 1905.
Alliance	£2,936,114	—£250,546	£1,284,939	—a£232,865	18.12	a£466,342	£171,835	£31,076	£324,460	§£74,322
Atlas	611,801	—281,476	942,532	—281,476	29.86	410,141	28,730	*6,692	55,000	None.
British Law	115,589	+7,762	88,304	+10,539	11.93	......	5,357	324	8,000	None.
Caledonian	d164,640	—444,337	439,960	—426,881	97.04	499,494	18,753	*1,551	12,900	*12,900
Commercial Union	2,359,278	—291,901	2,361,051	—295,657	12.52	794,974	111,635	*1,721	150,000	None.
Essex and Suffolk	127,070	—8,858	42,946	+9,326	21.74	......	3,876	69	140	......
Fine Art	137,653	+26,510	106,211	+26,313	24.77	......	4,519	564	3,700	370
Guardian	881,305	—3,064	526,111	+61,260	11.64	......	71,290	3,393	90,000	None.
Law Fire	304,591	+16,133	166,121	+57,462	34.60	......	10,205	721	¶	......
Law Union	†281,772	—295,714	226,310	—294,441	130.10	341,936	16,586	*391	48,750	None.
Liverpool and London and Globe	3,024,201	—380,923	2,403,144	—355,385	14.78	815,500	132,742	1,982	221,076	None.
London and Lancashire	1,424,068	—643,667	1,422,349	—608,305	42.76	925,000	58,949	*2,528	72,900	None.
London	845,055	—690,846	639,647	—818,160	127.90	966,750	73,322	4,595	89,655	*17,931
National of Great Britain	46,116	+7,275	38,504	+10,639	27.63	......	2,606	220	3,150	None.
North British	2,842,595	—403,422	2,063,547	—315,021	15.26	666,082	102,680	*8,699	195,250	None.
Northern	1,599,502	—325,977	1,227,958	—289,835	23.60	482,751	67,768	*4,255	97,500	*15,000
Norwich Union	1,220,433	—217,665	1,169,783	—186,900	16.00	b358,472	41,206	2,980	55,000	None.
Phoenix	1,192,825	—476,089	1,533,316	—392,216	25.58	624,241	51,603	*1,869	80,664	*13,444
Royal	3,793,318	—532,585	3,431,416	—413,000	12.00	1,250,854	156,597	23,166	261,258	None.
Royal Exchange	453,984	—569,580	673,809	—534,077	79.26	619,396	67,096	2,116	62,030	None.
Scottish Union	630,972	—151,647	636,771	—113,979	17.90	207,000	37,873	*1,608	52,500	None.
State	‡54,786	—198,840	162,633	—200,079	123.00	222,834	5,806	1,280	1,750	*3,500
Sun	2,375,081	—247,098	1,471,614	—108,471	7.37	350,000	94,952	4,187	120,000	None.
Yorkshire	330,739	—4,187	234,044	+26,753	11.43	......	12,628	164	25,041	None.
Total	£27,753,488	—£6,360,742	£23,293,020	—5,664,254	24.32	10,001,767	£1,368,614	£47,523	£2,030,724	£11,917

† £200,000 of this reserve was provided by a debenture issue. ‡ Call of £2 per share made (£140,000) and written off as lost. § Paid-up capital largely increased by purchase of other companies. Rate of dividend unaltered. ¶ In process of transfer to the Alliance. * Decrease. *a* After making provision for £211,027 San Francisco and Valparaiso claims lodged but not admitted. *b* Includes £103,365 claims lodged but not admitted. *d* £100,000 in addition has been provided by debenture issue.

of premium income, after paying, or providing for all claims and expenses, amounts only to £5,664,254. Nearly four and a half millions of surplus on other business must therefore have been received. This surplus was not all profit, since there has been an increase of £1,750,000 in the aggregate premium income which last year amounted to £23,293,000.

After the losses of the year it was inevitable that the fire funds—which include general reserves, specific fire reserves, and profit and loss balances—should have been largely reduced. The funds have had not only to meet the loss on the year, but also had to pay largely during 1906 towards dividends and in some cases to provide for the purchase of other companies. The total fire funds, exclusive of capital, decreased by £6,360,742 to £27,753,488. The complications arising out of numerous amalgamations in recent years have prevented us from making a detailed comparison of the present funds with those of three years ago, but it is possible to show that, taken as a whole, the decrease in the funds during 1906 was less than the profits earned during the three previous years. In the aggregate—not in individual cases, which vary largely—in the aggregate the net result of the San Francisco disaster is that the British companies have lost rather less than three years' profits. Two of those years were very good ones, but one of those years was that of the Baltimore and Toronto conflagrations. In 1903, after providing for dividends, the resources of the companies were increased by £2,989,000; in 1904 the increase was £797,000, and in 1905 the increase was £3,282,000. The total surpluses of the three years, after paying dividends, were £7,068,000, while the decrease in funds during 1906 was £6,360,742. The prudence with which the large profits of the three years 1903-5 were put away to reserve met with its reward.

The most striking feature of the details given of interest receipts is their entirely misleading character. Superficially, it would appear that in a year which saw a reduction of over six millions in the fire funds the interest on investments increased by £47,523! The explanation is simple; the San Francisco losses, though incurred in April, were not settled and paid till much later in the year; funds set aside for these losses continued, therefore, to earn interest during most of the year, and that interest appears in the accounts. And but for the San Francisco payments there would have been a considerable increase in the interest earnings arising out of the three and a quarter millions added to the companies' resources by the profits of 1905. We shall not see the full effect of the loss of interest earnings funds until the British offices publish their accounts for the current year. Then will come the squeeze in the case of those offices which were, comparatively speaking, the heaviest losers by San Francisco; and then will also come before some directors the urgent necessity of making much larger reductions in the dividends than they felt obliged to face this year. The one essential principle of insurance finance—a principle, the observance of which in the past has saved the British companies in the San Francisco disaster—is that dividends should be primarily based on interest earnings. The profits of good years should, in the main, be set aside to meet the losses of bad years and also to widen the basis of interest receipts upon which dividends rest. If this principle is to be faithfully observed there must be some substantial reductions in dividend to be recorded when we write again twelve months hence.

—Charles H. Spencer has resigned as secretary of the Walla Walla Fire of Walla Walla, Wash.

—R. H. Naunton, the well-known independent adjuster, died suddenly in San Francisco some days ago.

—Keith & Proctor's Jersey City theatre, the newest in that city, presents excellent shows at 10 and 20 cents for matinees, and 10, 20 and 30 cents for evenings. A feature of this theatre at the matinees is the distribution of gifts of cut glass and jewelry to the lucky holders of tickets whose numbers are drawn during the performance.

—The figures representing the Connecticut business in 1906 of the Union of London, as presented in "Distribution by States of Fire Insurance in the United States," agree with those given in the Connecticut Insurance Report. We are advised by the company, however, that the correct figures are as follows: Premiums received, $7630; losses incurred, $4876; risks written and renewed, $1,937,-164; loss ratio, 63.9 per cent.

—The figures representing the business transacted in 1906 in the District of Columbia and Louisiana, by the Northern of London and the Northern of New York, were transposed in "Distribution by States of Fire Insurance in the United States" for 1907. They should have been shown as follows: Northern of London: District of Columbia premiums, $15,590; losses, $1570; risks, $2,477,752; Louisiana premiums, $15,218; losses, $2632; risks, $1,731,595. Northern of New York: District of Columbia premiums, $384; losses, $159; risks, $44,400; Louisiana premiums, $21,897; losses, $14,616; risks, $1,326,639.

—The fire protection of Walkerville, Ont., consists of a combination chemical and hose wagon, one hook and ladder truck, one hose wagon and a team of horses. The department has a chief who is paid full time and an assistant chief, also paid full time, together with a number of part paid and volunteers. The water supply is capable of maintaining a fire pressure from 120 to 140 pounds, as the occasion may require. The population of the town is about 2600, and being directly opposite Detroit, Mich., has a standing arrangement for use of its fire boats should necessity demand. From the above data, the town appears to be fairly well protected.

Albany Legislative News.

[From Our Own Correspondent.]

Assemblyman A. E. Smith's familiar anti-pool fire insurance company bill was put through the House by virtue of the popularity of its sponsor. The Senate defeated it by a comfortably large vote. The House committee refused to report out his bill of last session, regulating the publication of printed reports in reference to the financial condition of life and fire insurance companies.

Assemblyman Rogers' bill, permitting fire insurance corporations to insure against loss and damage due to earthquakes, has become a law.

Albany, July 1. Lancaster.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

At a meeting of the trustees of the Mutual Reserve Life Insurance Company last week, President Haynes was authorized to reorganize the claims department and to take such action as will secure the prompt settlement of all claims on an equitable basis. Under the old management the company gained an unenviable notoriety for contesting claims, and when a claimant was tired out trying to get a settlement, compromising with him and "scaling down" his claim to the last degree. No company can conduct business on that basis successfully for any great length of time, and it is good to note that a change in this respect is proposed by the Mutual Reserve. President Haynes is still engaged with his pruning knife, lopping off expenses wherever possible, and expects to make a favorable showing in the way of savings to policyholders by the end of the year.

New York Life men have united in a determination to honor the election of President Kingsley by making July a month of great achievements. All who are familiar with the New York Life agency force know what this means.

Justice A. S. Tompkins of the Supreme Court has handed down a decision in the case of Thomas Watts of Orange county against the Equitable Life, which is the first case of its kind to be decided under the new insurance law. Mr. Watts was dissatisfied with the settlement under his policy and brought suit. Before the recent insurance investigation and the passage of the new law a policyholder could not bring such action without the consent of the Attorney-General. The defendant demurred on the ground that the plaintiff fails to state a cause of action in equity, and that the plaintiff is not entitled to an accounting. Justice Tompkins sustains the demurrer and holds that the plaintiff cannot maintain a suit in equity for the reason that no trust relations exist between the insurance company and the policyholders.

BOSTON AND VICINITY.

The Boston Life Underwriters Association has elected the following delegates and alternates to the convention of the National Association of Life Underwriters in Toronto, August 21, 22 and 23: Delegates—Albert H. Curtis, New England; John S. Cranston, Prudential; J. H. Edwards, National; Clinton A. Ferguson, United States; Leon F. Foss, Berkshire; James H. Lake, Equitable; Carmin McDowell, New York; Fred C. Sanborn, Massachusetts Mutual; Elmer E. Silver, Union Central; Geo. E. Williams, Connecticut Mutual; Stephen F. Woodman, Travelers. Alternates—William F. Bache, Northwestern; Robert C. Bridgham, Union Central; Edward S. Barker, State Mutual; Dwight Chester, Ætna; James F. Cavanagh, Washington; Charles H. Flood, New England; Chas. W. Gammons, National; Harry V. Haven, Phœnix; Franklin W. Ganse, Columbian; Frank C. Mann, Prudential; Percy V. Baldwin, Travelers.

Deputy Insurance Commissioner Hardison of Massachusetts went to New York this week, where he attended a meeting of the committee on reserves of the Insurance Commissioners' convention, at the Manhattan Hotel, Monday, July 2.

William F. Bache has retired from the general agency in Boston of the Northwestern Life after a service of twenty years.

NOTES FROM PHILADELPHIA.

When the case of Frank A. Thompson, a former agent of the Philadelphia Life Insurance Company, who is accused of embezzlement, was called last week, it was found that the defendant was not in court. The bail bond which was signed by his father, Captain of Police Thompson, will be sued out, as the accused is said to have written his father that he is in Mexico preparing to begin life anew there.

It is said that the records of the coroner's office of Allegheny County, Pa., the great industrial center of the State, show that 250 violent deaths take place there every month. Comparing this record

with the tonnage and production of the Pittsburg district, one life has been snuffed out for every 50,000 tons of coal that are shipped. and the annual shipment is about 50,000,000 tons. For every 3800 cars that carry freight out of or into Pittsburg some soul has given up the ghost. Every 7600 tons of the 7,000,000 tons annual production of iron and steel, and every 870 tons of the 800,000 tons annual output of steel rails costs the life of one of the manipulators.

The Pennsylvania Casualty has appointed Richmond & Co. managers for Philadelphia and vicinity.

The Abraham Lincoln Mutual Life of Philadelphia has been incorporated and will later reincorporate on the stock basis, with a paid-up capital of $500,000, of which $100,000 has already been subscribed. The sale of stock is expected to yield a surplus of $300,000. This company will write non-participating business only, and the agency management will be in charge of three general agents. Jerome Lynch, John Wilkins and E. T. Kindred. The home office is in the North American building, and the officers are: President, Robert F. Whitmer; vice-president, George J. Roesch; treasurer, V. O. Lawrence; secretary, Thomas Wood.

Lyman A. Spalding, President of the Casualty Company of America.

Mr. Spalding, who was elected president of the Casualty Company of America on June 18, is a native of Syracuse, N. Y. His early life was spent at Lockport, N. Y., and he was graduated from the Lockport Union School in 1887. Shortly thereafter he attended the Polytechnic at Aix La Chapelle, Germany, where his father, L. Austin Spalding, was United States Consul. Between 1888 and 1891, he was acting Vice-Consul at Brunswick, Germany, to which post his father was advanced. He commenced the study of law in the office of the late Senator Timothy E. Ellisworth in 1891, and was admitted to the bar October 5, 1894, at Rochester, N. Y. Mr. Spalding came to New York in March, 1895, and soon thereafter became an assistant attorney in the office of Guggenheimer, Untermyer & Marshall, with which office he was connected until October, 1898, when he began the independent practice of the law at No. 63 Wall street, where he has remained up to the present time. Mr. Spalding has made a specialty of trial work, having been trial counsel for the New York City Railway Company and the Florida East Coast Railway Company for upwards of four years. In that work he gained knowledge of the casualty business which will certainly prove of value to the company of which he has become president. Elsewhere we present a portrait of President Spalding made from a recent photograph.

THE MIDDLE STATES.

Albany Letter.

[From Our Own Correspondent.]

The session of the legislature just ended was deserving of remark, from an insurance viewpoint, because of the small proportion of bills on insurance that passed the two Houses. About the usual number of insurance measures were introduced in the legislature—over a score in the Senate and nearly two score in the Assembly.

Five insurance bills thus far have been signed by the Governor. Of the Senate bills, nine passed that branch of the legislature, and of the Assembly bills fourteen got as far as the Senate.

The following insurance bills have become laws, to date:

Senator Tully's, relating to filing with the Insurance Department, by foreign insurance company agents, of statements required by law.

Senator Saxe's, amending the insurance law so as to provide for insurance against loss or damage to an automobile resulting from collision, or damage to property resulting from collision of an automobile with another automobile or vehicle or object.

Assemblyman Stanley's, relative to investments or loans of domestic surety corporations.

Assemblyman Allen's, amending the insurance law so as to exempt the Fraternal Order of the Scandinavian Brotherhood of America from the provisions of law relating to fraternal beneficiary societies.

These bills, in addition to the foregoing laws, which passed the legislature, are awaiting the action of the Governor:

Senator Tully's, relative to certificates of authority of agents of life insurance corporations.

Senator Hill's, amending the insurance law relative to the designation of beneficiaries. It provides that fraternal societies may determine the class of persons who may be named and designated by a member as beneficiary, and to whom the money shall be payable.

Senator Wemple's, amending the insurance law as to security guarantee corporations by providing that corporations may be formed to guarantee the validity and legality of securities issued by State, city, town, etc., corporations, and allowing such corporations to invest by loan or otherwise certain of their surplus moneys or funds in the securities which they are authorized to guarantee.

Senator Fancher's, amending section 577 of the penal code relative to rebates in insurance by life insurance corporations.

Senator Hill's, to permit the incorporation of beneficiary societies, orders or associations of persons in the service of the same employer, for the purpose of furnishing relief to members in case of sickness, disability or death.

Senator Davis', permitting the Superintendent of Insurance to authorize the use of additional forms of policies to be issued and delivered by domestic life insurance companies within the State.

Senator Fancher's, amending the insurance law relative to life or casualty insurance corporations upon the co-operative or assessment plan.

Senator Fancher's, relative to the election of directors in mutual life insurance corporations.

Senator Fancher's, relative to biennial elections in mutual life insurance corporations.

Assemblyman Whitley's, relative to discriminations in life and endowment insurance premiums.

Assemblyman Rogers', amending the insurance law relative to refunding certain State taxes to foreign life insurance companies.

Albany, July 2, 1907. LANCASTER.

—Don M. Larrabee, agency director of the Harrisburg branch of the New York Life, has resigned, and will engage in law practice in Williamsport, Pa.

—The Union National Life Insurance Company of America has been incorporated at Dover, Del., with an authorized capital of $1,000,000. The company will insure against death, accident and sickness. The incorporators are Louis P. Forster, Sewickley, Pa., and William Marshall and Andrew D. Marshall, sons of Insurance Commissioner Marshall of Delaware.

THE WEST.

—The Modern Harvesters of America has been organized as a fraternal order in Nevada.

—The Home Benevolent Association of Oklahoma City has gone into voluntary liquidation.

—Armand Ravold has been elected medical director of the Missouri State Life, succeeding C. R. Dudley.

—John T. Boone has been appointed Pacific Coast manager of the American Central Life of Indianapolis.

—The Royal Union Mutual Life of Des Moines will have a new line of contracts ready about September 1.

—President Jacob Baur of the Liquid Carbonic Company, Chicago, has taken $50,000 additional insurance in the Mutual Life.

—The Equitable Life of Iowa will transfer its reserve basis from the Actuaries' Table with 4 per cent interest to the American Table with 3½ per cent interest, the change to be made about August 1.

—The Marquette Mutual Life Insurance Company of Chicago was placed in the hands of a receiver, Judge Honore appointing Charles H. Blatchford receiver on the petition of Fred W. Potter, State Superintendent of Insurance.

—The Northwestern National Life has re-elected all its officers and the following new directors: Charles Ray, Frederick Layton, J. Ogden Armour, James G. Jenkins, Washington Becker, Frederick Vogel, Jr., H. J. Upham, J. E. Friend, Howard Greene, Grant Fitch, H. J. Tweedy, Robert Camp, W. M. Patton, A. F. James and W. D. Reed.

—Hamilton County, Ohio, has been awarded back taxes amounting to $82,000 against the Union Central Life Insurance Company by a decision of the Superior Court. The case grew out of the contention of the company that accumulated deferred dividends were not assessable for taxation and that cash in bank, against which checks were outstanding, were not taxable. The back taxes assessed are on the bank deposits.

—The supreme lodge, Knights of Pythias, insurance department, announces that 2435 applications for membership were received at the home office of the insurance department during May; 2371 were fifth class (1301 being transfers and 1070 new applications), and 64 were fourth class. May, 1907, is now the banner month in number of applications received since the insurance department was organized. During the first five months of 1907, 2694 more applications for membership were received than in the first five months of any year since the insurance department was organized.

LYMAN A. SPALDING,

President of the Casualty Company of America.

THE SOUTH.

Guarantee Life Insurance Company.

The Guarantee Life Insurance Company of Houston, Tex., began business on September 1, last year, with a paid-up capital of $100,000 and a surplus fund amounting to $25,000. In the months that have since elapsed the company has made satisfactory progress and is now prepared to branch out in other Southern States as rapidly as suitable agents can be secured. In another column the company sets forth its needs in this respect. The contracts issued by the Guarantee Life are on the non-participating plan and contain all the liberal provisions and advantages of modern life insurance practice. The active management of the company is in the hands of Jonathan Lane, president; John H. Thompson, vice-president and general manager, and Chas. Boedeker, secretary and treasurer.

—Harry M. Rainey and T. A. Trusty have taken the management of Arkansas for the National Life of U. S. A.

—The State Mutual Life of Rome, Ga., has agreed with the Insurance Department of Mississippi to discontinue the sale of stock with insurance.

—The Rome Industrial Life, being organized at Rome, Ga., by J. J. Reese, has received its charter from the Secretary of State. The required capital of $100,000 is nearly all subscribed.

—The Protective Life Insurance Company, which has been organizing for some time in Birmingham, has elected former Governor William D. Jelks, president. Richard W. Massey is vice-president; W. W. Crawford, treasurer; John M. Corr, director of agents, and W. G. Harrison, medical director.

MISCELLANEOUS LIFE NEWS.

A New Publication for Life Agents.

The Successful Agent, by William Alexander, just published by The Spectator Company, arrests attention in the first place by its compactness. It gives within a narrow compass much rich matter of practical value.

The first part deals with the theory of life insurance—the stability of its foundation. The second part dissects all kinds of policy forms. The third part teaches the agent how to sell his goods.

The first part is perhaps the most valuable, because it shows that there is no guesswork about life insurance. It tells, in a simple way, just how premiums are computed. How it is that a company can tell exactly what it will cost it to assume any specific risk. Why it is that a properly organized company cannot fail unless it is grossly mismanaged. Why the public may insure in any solvent company with absolute confidence.

All this is of the utmost importance in times such as these when people are permitting their insurance to lapse, or hesitating about taking new policies.

To satisfy his customers every agent must himself be certain that the insurance he offers is absolutely trustworthy. He must have "a reason for the faith that is in him," and be able to state it convincingly. Hence the agent who possesses this book will find himself in a position to prosecute his work with renewed courage and success.

The author says in his introduction that the fact that the life insurance companies have twenty-four billions at risk at the present time proves that life insurance is a necessity. But he adds that the recognition of this fact is not all pervading, because there are still "multitudes of men throughout the civilized world who need insurance, but who have thus far failed to avail themselves of its protection."

"This failure," he continues, "is due to a variety of causes: ignorance, doubt, heedlessness, improvidence, selfishness and procrastination. It is the province of the agent to convert such people. And it is a significant fact that even those who clearly recognize the value of insurance seldom act until persuaded by the agent to do so. Hence the agent occupies a broad and influential field. But to succeed in his important mission he must master the principles of life insurance. Otherwise he will not be able to enlighteu the ignorant, convince those who are skeptical, satisfy the doubting, or spur the dilatory to action." Price per copy, bound in cloth, $2.00; in flexible leather, $2.50.

President Kingsley of the New York Life Interviewed.

President Kingsley of the New York Life was interviewed last week, and from the report of his remarks we make the following extracts. Referring to the Armstrong laws, he said:

Bear down on this point. Whatever the laws are we are going to observe them, in the spirit and to the letter. We are not going to attempt to nullify or circumvent them. Make that clear.

Asked how he justified his opposition to the law limiting business when it had been clearly established that the wild race among the large companies for new business was responsible for much of the reckless extravagance which characterized the old administration, he said:

You forget there is another law which absolutely restricts the cost of the new business. I have no quarrel with that law at all. We have got to keep the cost of new business within the statutory limit. That law makes extravagance impossible irrespective of the amount written. That being the case, why should there be a limit on the amount?

When asked if there was any other feature of the new insurance laws to which he was opposed, he said:

Next to the limitation of business, one of the worst and the most dangerous is the limitation of the amount of surplus which a company may have. Just consider this law in connection with the shrinkage during the past eighteen months of the value of high-class bonds. Suppose this law had been in effect for years and that a company of large size, say with $400,000,000 of legal reserve, had that amount invested in the highest class of gilt-edge bonds eighteen months ago. Under this law it could only carry a surplus of five per cent of its legal reserve, or $20,000,000.

SHRINKAGE IN BONDS.

In the past eighteen months there has been an approximate shrinkage in the value of high-class bonds of ten points. You can figure easily what that would mean. The legal reserve of $400,000,000 would have shruuk $40,000,000 to $360,000,000. This shrinkage of $40,000,000 would wipe out the surplus of $20,000,000 and still leave the company $20,000,000 behind its required legal reserve against its outstanding insurance. You know what follows a deficiency in the legal reserve. Of course the idea behind the limitation of the surplus reserve was to compel a larger distribution to policyholders, but the law as it stands is distinctly dangerous. The law holds the trustees responsible for the safety of their company, and at the same time compels them to submit to a dangerous practice.

In this connection it should be pointed out that there has been a tendency in the past year to invest a larger proportion of our funds in first-class real estate mortgages. That policy I shall support strongly, but, of course, I cannot speak for our finance committee. It is my plan to lend money all over the country in cities of 100,000 population and upward when the security is stable and ample, providing, of course, there are no State laws hostile to such investment.

We do not propose to go in for farm mortgages. We could not do so under our by-laws, which are restrictive on that point. We can only go where values are well settled and the security is of a character beyond all doubt.

PROSPECTS FOR NEW BUSINESS.

We will write during the present year, without any strain, the full amount the law permits us, $150,000,000. We are particularly fortunate in that our agents have stood solid behind us. During the past two years they have gritted their teeth, worked against adverse conditions and aided us in every way in maintaining their organization.

One of the most brutal and cruel consequences of the new law limiting business was the enforced discharge from the company's service of great numbers of agents. We have had to abolish one-half the branch offices and cut the agency force in half. There were men who had been in the company's service ten and fifteen years, and who knew no other business, yet who were turned out in the streets almost over night with the problem immediately facing them of earning a living for themselves and families. The law in that respect was most brutal.

RATIOS OF EXPENSES TO PREMIUMS.

According to last year's report, which shows a very small ratio of expense to premium income, we were seemingly the most virtuous and economical company alive. And in 1904, the last year before the insurance troubles began, when the ratio of expense to premium income was very much higher, we were seemingly the most extravagant.

But what did we get for the high expense ratio? In 1904 we wrote the largest amount of new business in the company's history. In 1906 the amount was comparatively small, hut in that year the enormous premium income, the result of previous years' work, kept rolling in. It is a poor argument to say that a man saves money or cuts down expenses simply because the volume of his business is small.

In France they have an insurance law which is the reverse of ours. There they say to the companies: You must not charge less than a certain premium. The government does not care how much above the minimum you charge, going on the theory that the insured is capable of taking care of himself in that matter. Safe insurance cannot be sold at less than a certain figure and the French law recognizes that as a fundamental of the business.

The Mutual Benefit Life Withdraws from Texas.

President Frelinghuysen has addressed the following circular letter to the Texas policyholders of the company:

It is with great regret that the company is compelled to announce that on July 10, 1907, it will cease to do business in the State of Texas. This step is forced upon the company by reason of the enactment by the Texas Legislature of the "Robertson Act," compelling life insurance companies to invest seventy-five per cent of the "reserves" on Texas policies in Texas securities and to deposit such securities in Texas.

This company is not at all averse to investing its funds in Texas securities, provided, of course, it can secure as safe and profitable investments in Texas as it can procure elsewhere. Prior to the passage of the Robertson act it established an agency in your State for the purpose of making real estate loans, and the company had anticipated a rapid increase in its Texas investments. The passage of the Robertson act compels us to retire from the State for two reasons: First, as a mutual company we are not permitted to segregate any portion of our assets for the benefit of any particular class of policyholders. The company's funds belong to the policyholders as a body, and there cannot be a preferred class. To comply with the Robertson law we would have to violate the higher law under which the company was organized and must conduct its business, viz., the law of mutuality. Furthermore, the control and disposition of the company's assets are in the hands of the

board of directors, and this responsibility cannot be transferred as would be necessary under the terms of the law.

The second fundamental objection to the Robertson act is that funds deposited in the State of Texas as required thereby would, in all probability, be rendered subject to taxation for the benefit of some town at local rates, which would mean a prohibitory tax such as was not contemplated when the company's premium rates were fixed. Moreover, the compulsory immediate investment of large sums of money by many companies in a restricted field would undoubtedly make it impossible to safely invest the amount called for by the terms of the Robertson act, and would certainly tend to reduce the rate of interest to all investors below the point at which the investments would be profitable.

This company has transacted the business of life insurance in the State of Texas since 1889. During that time it has found favor with the citizens of Texas, as it has with the citizens of other States since the company was established in 1845. The company's plans and methods have not only appealed to citizens of Texas, but the business transacted in your State has in all respects been satisfactory to the company. The regret at the company's withdrawal must, therefore, be a mutual one.

Messrs. Craycroft Brothers & Dyer, who have been the company's general agents at Dallas, Tex., will be located at Ardmore, I. T., after the company's withdrawal from Texas. All communications regarding policies held by residents of Texas should be addressed to them, and such communications will receive prompt and immediate attention.

We can assure you that the interests of our Texas policyholders, as well as of all our policyholders, will be better conserved by withdrawing than by remaining in the State under the Robertson law. You will be able to make your premium payments just as safely as formerly, and we believe Messrs. Craycroft Brothers & Dyer will arrange for you to make them quite as conveniently.

We earnestly urge you to keep your policies in force, and trust that it is unnecessary to assure you that the company's obligations to Texas policyholders will be as fully met after the company's withdrawal as they have been heretofore.

Casualty, Surety and Miscellaneous

Manual of Liability Insurance.

The Spectator Company has just issued an important publication entitled "Manual of Liability Insurance." It contains the standard forms of policies promulgated by the Liability Conference that became effective January 1, 1905; also the employers liability policies issued by the different liability companies. The table of rates established by the Liability Conference and now in general use is a prominent feature of the manual. Complete indexes to the manual are given, making it available for instantly finding any classification as well as the rate. There follows a table showing the discounts allowed in the various States.

A valuable chapter for the benefit of agents gives a brief sketch of the introduction and progress of liability and boiler insurance in this country, with a brief description of each form of policy, and many suggestions that are calculated to aid agents in the conduct of their business.

An explanation is given of the various forms of policies, such as manufacturers' employers and public, contractors' employers and public, landlords or general, teams, elevator, contingent, vessel, theater, workman's collective, steam boiler and fly-wheel.

A table gives the statute of limitations in each State, showing the limit of time for the commencement of suits for damages on account of personal injuries or death. The provisions of the child labor laws are classified by States. These laws not only regulate the legal age of employees, but control the hours of employment and the hours within which such employment can be lawfully had.

The employers liability act of Massachusetts and the employers liability law of New York are given in full, showing the exact provisions of each act, and the changes from the general common law applicable to such cases.

The loss reserve law of 1905 in Massachusetts is printed in full, followed by a table showing the ten years record of all companies transacting business in that State as of December 31, 1906, as regards premiums, losses, accidents reported, amount paid on account of same, suits settled with amount paid in settlement, the legal reserve for outstanding accidents and suits, and the total number of unsettled suits classified by years.

The "Manual of Liability Insurance" is, in fact, a handy guide to those engaged in this branch of insurance, constituting a work of ready reference for the solution of almost any question that may confront them.

The manual is handsomely printed, and is of convenient pocket size, bound in flexible leather. Price per copy, $2.00.

Metropolitan Surety Company Examined.

The New York State Insurance Department has completed an examination of the affairs of the Metropolitan Surety Company of New York, and the report, dated June 12, 1907, showing the condition of the company as of December 31, 1906, was filed on June 27, 1907, after a hearing granted the company under section 39 of the insurance law. The examination disclosed an impairment of $61,431.08—a little more than twelve per cent of the capital. Under date of June 25, 1907, the company advised Superintendent Kelsey that the board of directors, at a meeting held on June 24, had unanimously resolved to reduce the capital from $500,000 to $250,000, and that a meeting of the stockholders had been called to act upon such reduction, thus making good the impairment and creating a surplus of $188,569 over the new capital, based on the figures of December 31 last. The proposed reduction is one authorized by section 46 of the stock corporation law, and under the rules of the Department a further examination of the company, as at the date of the reduction, will follow for the purpose of verifying the statement of the officers of the company required under section 46 of the stock corporation law, showing the whole amount of ascertained debts and liabilities of the corporation.

Indiana and Ohio Live Stock Insurance Company, Crawfordsville, Ind.

Those engaged in the insurance business frequently have inquiries for live stock insurance. For their information, it may be stated that there is a strong stock company writing this class of insurance, viz., the Indiana and Ohio Live Stock Insurance Company of Crawfordsville, Ind. This company has been engaged in insuring live stock for over twenty-one years and has established an enviable reputation for reliability. It has $100,000 of paid-up capital and total resources of about $250,000. Of its assets, $100,000 are deposited with the Auditor of State of Indiana for the protection of all policyholders, which deposit cannot be withdrawn as long as a single policy remains in force. The company does not levy assessments, but has a fixed premium for a definite amount of insurance, insuring against death from any cause. The company started business in a small way, and has steadily advanced in strength and importance, until it is now writing insurance in nearly every State in the Union. Every member of the company is a business man; and the Insurance Commissioner of Kentucky, after carefully investigating the company, stated that he found it to be in a "good, healthy condition." The officers of this progressive, but conservative, company, are: President, John R. Bonnell; vice-president, Rankin C. Walkup; treasurer, Geo. W. Graham; secretary and general manager, H. C. Naylor; assistant secretary, A. L. Keeney. Mr. Bonnell is collector of internal revenue at Terre Haute (the second largest district in the United States); Mr. Walkup is postmaster at Crawfordsville, and the largest stockholder in the Crawfordsville State Bank; Mr. Graham is owner of the largest department store in the county; Mr. Keeney is a large stockholder and has been with the company for fifteen years, and Mr. Naylor has spent eighteen years in the service of the company, conducting its affairs with such good judgment that it has achieved great success.

Casualty Notes.

—The Security Live Stock Insurance Association has been organized in South Bend, Ind.

—L. B. Bacon, of the law firm of Ingersoll & Bacon of Cleveland, has been appointed attorney for the Employers Liability Assurance Corporation in Northern Ohio, succeeding L. Packer, resigned.

—The American Bank Protective Association has been incorporated at Indianapolis with $3500 capital stock, "to safeguard banks against swindlers, forgers and bogus paper men."

—J. H. Delesderniers & Co. of New York city have been appointed general agents of the Norwich and London Accident Insurance Association for the metropolitan district. This company will write liability and personal accident lines.

—The Colonial Mutual Disability Insurance Company of Waltham, Mass., an assessment casualty company, organized under the laws of Massachusetts, has been authorized to commence business. The president of the new company is James E. Hodgson, and the secretary is Nathan A. Tufts.

—During June, 1907, the firm of E. E. Clapp & Co., managers for the accident, health and physicians' liability departments of the Fidelity and Casualty Company at 66 Pine street, New York city, turned over $148,000 in premiums to their company as against $128,000 in June, 1906.

—H. R. Schneider has resigned his position with the Empire State Surety as city manager of the liability department and is now with J. H.

Delesderniers & Co., metropolitan agents of the Norwich and London Accident.

—The Philadelphia Casualty has issued the "Popular Premium Policy," which will be sold for a monthly premium of $1.25 from ages eighteen to fifty with an additional charge of forty per cent for ages above that limit. The maximum benefits paid under the new policy are $500 in case of death, with a doubling clause for travel or elevator accidents, and $50 monthly in case of sickness, accident or quarantine. No indemnity is paid for the first five days of disability through sickness, but the contract places the insured in full sick benefit fifteen days from the date of the policy instead of the usual sixty days. The limit for the payment of sick benefits is six months and for the payment of accident benefits two years. The beneficiary is insured for all public conveyance and elevator accidents, and ten per cent yearly is added to the principal indemnities for five years.

Surety Notes.

—American interests have organized the Cuban Surety Company at Havana.

—The report that William B. Joyce is about to retire from the presidency of the National Surety Company has been authoritatively denied.

—The outstanding business of the Keystone Bonding Company of Philadelphia has been reinsured in the United Surety company of Baltimore.

—The affairs of the proposed Hudson Surety Company are in the hands of Otto T. Hess of the law firm of Hess, Churchill & Marlow of 74 Broadway, New York.

—Assistant Attorney-General Falknor, of the State of Washington, has advised Prosecuting Attorney A. A. Kirby of Garfield county, that a personal bond could not be accepted from a bank designated as a county depositary. The decision was called forth by an act of the last legislature.

—The American Surety Company of New York, which writes a large number of bonds for officers and employees in banks, states that the era of depreciation in securities and speculation incident thereto has brought with it the usual crop of defalcations and during the past year the American Surety Company has been called upon to pay claims on bonds of defaulting employees in banks to the number of twenty-one, with an aggregate loss of $110,000. This is an average of nearly two per month for the period.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, $7; book only, $5; monthly supplement only, $2 per annum.

Brandon Fire Insurance Company, Brandon, Man., Canada.

This company is reported to be seeking surplus lines in this country. It was organized under the laws of Manitoba in March, 1906, with an authorized capital of $500,000, of which $107,000 is subscribed and $10,700 paid in.

Commonwealth Fire Insurance Company, Ottumwa, Ia.

This company is preparing to pay up its capital stock and enter other territory.

Empire Fire Insurance Company, Spokane, Wash.

This company was incorporated in April, 1907, and commenced business June 1, with an authorized capital of $100,000, of which $50,000 is reported as paid in, together with a surplus of $25,000. The officers are: President, Joseph A. Borden; vice-president, Samuel Glasgow; treasurer, J. H. Ehlers; secretary, E. W. Evenson.

Hudson Bay Insurance Company, Moosejaw, Saskatchewan.

This company, which is seeking surplus business in this country was incorporated under the laws of the Northwest Territories in August, 1905, commencing business immediately thereafter. It has an authorized capital of $100,000, of which $25,000 is reported to have been subscribed and $2500 paid in. The officers are: President, R. Bogue; secretary and manager, Charles E. Berg. It is understood that the latter was formerly in the insurance business in North Dakota.

Merchants Fire Insurance Company, Greensboro, N. C.

At a recent meeting in Greensboro of the North Carolina Merchants Association, plans were completed for the launching of the above-named company, to have $100,000 capital and $25,000 surplus. The organization is in the hands of J. Frank Flowers, for six years Charlotte, N. C., stamping secretary of the South-Eastern Tariff Association.

Merchants Insurance Company, Providence, R. I.

This company is preparing to resume active operations with a capital of $200,000 and a liberal surplus. William P. Goodwin, the president, and Providence capitalists are the interested parties. Mr. Goodwin will supervise the underwriting.

THE LIFE INSURANCE COMPANY OF VIRGINIA.

Resume of the facts relative to recent criticisms—Opinions of Eminent Actuaries regarding the report of S. H. Wolfe—The Company declared to be in excellent condition.

So much has been said regarding the affairs of the Life Insurance Company of Virginia during the past few weeks, and so much curiosity has been manifested to know the facts in the case, that a resumé of the incidents leading up to the present situation will undoubtedly prove interesting to all readers of The Spectator. The company was organized in 1871, and during the years immediately following it encountered many obstacles and had a severe struggle for existence. But it succeeded in maintaining its solvency under conditions that wrought the failure of a number of other companies that disappeared from the field during those tempestuous years. The present officers of the company are J. G. Walker, president; T. W. Pemberton, vice-president, W. L. T. Rogerson, secretary, and J. S. Davenport, actuary. All are well-known business men of high standing, and enjoy the confidence of the community in which they live. While the company has confined its operations to the Southern States, and is not classed among the large aggressive companies, its management is conservative and progressive, showing an increase in insurance written and a healthy growth in its finances year by year. It is known as the oldest and largest Southern life insurance company.

Present Standing of the Company.

According to its latest annual statement, up to January 1, 1907, the company had paid policyholders since organization over $7,340,000, and it had in force on the first of January last 443,551 policies, insuring their holders in the aggregate for $54,507,580, having gained about five and a half millions of insurance during 1906. It received in premiums last year $2,097,149, its admitted assets amounted to $2,938,289, and its surplus to policyholders was $501,693. This shows a very healthy condition for the company, and indicates that the management has been conducted with energy, ability and in the best interests of the policyholders. Furthermore, it shows that the disheartening struggles the company passed through and the embarrassments that were inherited by the present officers, have been overcome and are now past history. The rights of policyholders have been conserved with scrupulous care, and the resources of the company are such as to guarantee the fulfillment of every contract it has entered into.

Mr. Wolfe's Examination of the Company.

In the fall of 1906, shortly after the appointment of Mr. Joseph Button as the first Insurance Commissioner of the State, the company wrote the Commissioner, asking for an examination, and the Commissioner early this year called upon S. H. Wolfe, a consulting actuary of New York, to make an examination of the company. This examination was concluded in April, and Mr. Wolfe's report contained some severe criticisms of the previous management. Commissioner Button forwarded the document to the State Corporation Commission, which has supreme jurisdiction over corporations in that State, and the company asked to be heard in opposition to the examiner's report. A hearing was granted, and was attended by the Commissioner, officers of the company, Mr. Wolfe, David Parks Fackler, consulting actuary, and Thomas Boudar, an expert accountant, all of whom gave testimony under oath. Other actuaries, Walter C. Wright and Walter S. Nichols, were also called in by the company later, to go over the data upon which Mr. Wolfe had based his criticisms.

It may be said in passing that the State Corporation Commission is a body peculiar to Virginia, having supervision over all corporations and

is superior to the heads of departments, so that the Commissioner of Insurance is subordinate to that body. The commission is composed of three well-known citizens of high repute, without, as claimed, any political ambition or entanglements, but only two of these sat or participated in the hearing; one of them having previously resigned, his resignation to take effect immediately upon completion of the business in hand, and he did not wish to take up any new matters. For two days they listened to statements pro and con, Mr. Wolfe having been given full opportunity to defend his report. The Commissioner had especially called attention to several points in Mr. Wolfe's report which he desired to have investigated. Mr. Wolfe had reviewed the history of the company from its beginning, and brought out some old matters for which the present management was in no wise responsible, nor do they affect in any degree the solvency or present status of the company. It is the present condition of the company that the public is interested in, and not with the methods adopted by former officers, in good faith to maintain its existence.

Those "Pennsylvania Mortgages."

Mr. Wolfe devotes much space to explaining what are known as the "Pennsylvania mortgages," which were acquired by the company in 1887. At that time the condition of the company was such, owing to the cost of procuring business, that in order to remain in existence and comply with the laws of other States, an increase in its assets was necessary to show that it possessed a four per cent reserve, which was the lawful requirement. To enable them to do this the officers purchased a number of mortgages on Pennsylvania property, contracting to pay a certain small sum in cash and the balance on the instalment plan—that is, two per cent out of future premiums. This was the only consideration given for the sum due on the mortgages, constituting a contingent lien upon premiums, and in no other way was the sum to be liquidated. While this transaction was of questionable propriety for a life insurance company to indulge in, the exigencies were pressing, and by it the company was possibly saved from the hands of a receiver. Regarding this the Commission in its findings say:

While the report of Mr. Wolfe has reviewed the business of this company from 1886, and, in some respects, from its creation in 1871—in doing which he has frequently gone far beyond the limits of any legal examination—yet the only matter brought to light by this exhaustive investigation meriting condemnation is the acquisition by the company of certain mortgages, referred to for brevity as the "Pennsylvania mortgages," at no time exceeding $200,000 in amount; that, concerning these mortgages it appears that the nature of the contracts by which they were acquired by the company was perfectly proper and legitimate, and that the results of the transaction correctly appeared in the company's several annual reports, except so far as the matter of charging payments of purchase money for said mortgages in the commission account, which matter, while erroneous, does not seem to have worked an injury to anyone, and will be presently dealt with. It appears, however, that the lands covered by these mortgages were of such manifestly inadequate value that the transaction must be regarded as censurable, and is strongly condemned by the Commission. It further appears, however, that the transaction actually resulted only in good to the company, and that the policyholders have been materially and primarily benefited thereby, and that it is not true that that transaction has cost the policyholders, directly or indirectly, anything whatever. But whatever censure that transaction may merit it is plain that none of such censure should rest upon the management of the company under its present president, who became such in 1901, after the last of said Pennsylvania mortgages had been acquired by the company, among whose first acts was to drop more than half of said mortgages from the assets of the company, and who succeeded in eliminating them all from the company's assets by the year 1903, since which time they have not in any way entered into the assets, business or reports of the company.

Opinion of Walter S. Nichols.

Walter S. Nichols, consulting actuary, in a lengthy opinion reviewing Mr. Wolfe's report, referring to these "Pennsylvania mortgages," says:

The cost of procuring its business had so far trenched on the company's resources that it was at that time in danger of technical insolvency, though its future income was sure to yield a large surplus. To meet the exigency the company arranged to capitalize the surplus contained in its future income. Certain capitalists agreed to advance the necessary funds solely in exchange for a contract by which they should receive certain commissions on the future premiums for a term of years. It was expressly agreed that the company should incur no obligation or liability beyond the payment of the commissions upon the premiums as they were received. The funds thus advanced having already been invested in mortgages, these were assigned to the company and made its absolute property, without any recourse on the part of the assignors or vendors. Should the company cease business it would still own these mortgages, while its obligations for the payment therefor would end. The reimbursement of the vendors depended wholly on a continuation of the premium receipts of the company. That the vendors were not mistaken in their judgment concerning the company was proved by the fact that within eight years afterwards the commissions had repaid all their investment and interest, except $34,500. * * * * If the indebtedness is to be dealt with as a present obligation, as was insisted on by the Insurance Commissioner, so also must be the future commissions to agents and the estimated future salaries and expenses of all kinds in caring for the business. If such contingent liabilities are to be charged against a company, it must then be credited with the estimated present value of the future premium margins, which are designed to meet these very expenses. To charge the company with a future contingent liability and allow it no credit for the fund by which it is absolutely secured, is an injustice and absurdity that should be obvious to every intelligent man.

Opinion of Walter C. Wright.

Walter C. Wright, consulting actuary, who was also called in by the company to review Mr. Wolfe's report, spent two entire days in Richmond, and after fully satisfying himself as to all points says of these mortgages:

I cannot agree with Mr. Wolfe's conclusion that "if ever a liability existed for the unpaid portion of these mortgages, such charges exist in this case." Had the worth and validity of these mortgages been unquestionable, they would have been negotiable, and under the deeds of sale or assignment to the company, the company would have had full right to sell them, and secure at least their face amount in cash, which would have been entirely at the disposal of the company for any purpose. * * * When any piece of property is purchased on the instalment plan, the purchaser is not required to have in hand the total sum or present value of his promised payment, or otherwise the plan would be quite divested of its intended utility. I do not claim that the bargain for compensation to the vendors in the present case was not in a degree speculative in character and open to criticism, but only that Mr. Wolfe's theory of present liability is not correct. Charging accruing dues under these obligations to the company's commission accounts was not unexceptionable bookkeeping, as the company admits.

David Parks Fackler, consulting actuary, who was also present at the hearing and reviewed the testimony, agrees with the finding of the Commission regarding the mortgage transaction, pointing out that the result of it has been profitable to the policyholders of the company. As Mr. Fackler's opinion covers the entire report of Mr. Wolfe, we append it in full to this article.

Treatment of Policyholders.

Mr. Wolfe, in his report, asserts that the company in years past discriminated against certain of its policyholders. In 1887 it was found to be necessary, as before stated, to raise the reserve of the company to a four per cent basis. By resolution, duly recorded on the minute book of the company, the directors at that time voted to ask those who held the "ordinary life" policies to accept in lieu thereof a "one-year renewable term" policy, the reserve on which would be less. It was also resolved that the reserve held for the "ordinary life" policies should be kept in the surplus account, to be used for no other purpose than to meet any liability that might arise through such change of policy. Again, in 1899, in order to comply with the new law enacted in Louisiana, the company asked certain industrial policyholders to change their policies to the twenty-year term plan, and in 1901 the following resolution was adopted:

That as rapidly as the business of the company will permit, there shall be accumulated a special surplus fund, separate and apart from the surplus applicable to dividends on participating policies, and that the same, if sufficient in the judgment of the directors, and the policyholders shall so request, shall be used twenty years from the date of issue of each original policy, to reinstate such insurance as a non-participating, ordinary life policy, bearing the same date of issue and conditions as to paid-up policies, as the original policies, and without any increase of premium or diminishing of insurance, and to pay such dividends as the directors may deem proper for the previous term of years.

Louisiana had adopted a very stringent law on the subject, and as the company had a large volume of business in that State, the course

pursued became necessary. It will be noted that while the policyholders were asked to make a temporary sacrifice in their own interests and for the preservation of the company in which they confided, the managers conscientiously took such action as would conserve their rights. The policyholders voluntarily agreed to the changed reserve of their policies under the agreement presented to them, and the company has, in good faith, carried out its agreement.

The "Scaling Down Process."

Regarding that phase of the business, Actuary Nichols says:

The policyholders voluntarily agreed to reduce the liabilities in order to save the company. This was in substance the very step that has been endorsed by the courts both in this country and England for such purpose. In the well-known case of the Charter Oak Life Insurance Company of Connecticut, where a large majority of the policyholders had consented to scale their contracts in order to save the company from insolvency and a new charter had been granted in its aid, the court for its further protection actually enjoined those who had refused to scale from collecting the full face of their policies. In the case of the Connecticut company, however, not only the reserve but also the face of the policies was scaled when, as in the case of the Virginia company, there was no scaling of the face of the policies, but a mere change in some of the conditions, which relieved the company from the necessity of carrying so large a technical reserve. If properly carried out, the step taken by the Virginia company would seem deserving of commendation rather than censure. That it served its purpose and saved the company seems to be admitted. * * * * The company is a stock corporation and except as relates to participating business is not subject to the same rules which apply to corporations on the mutual plan. The directors seem clearly to have gone beyond their legal obligations in order to do substantial justice.

Other Charges in Mr. Wolfe's Report.

The matters referred to herein constitute the greater part of Mr. Wolfe's adverse report, and his criticisms are substantially controverted by the distinguished actuaries we have quoted, as well as by the report of the State Corporation Commission. Such minor charges as are made are disposed of by the Commission in few words in decisions that say they are "not sustained," either by the records and documents presented or by the oral statements of Mr. Wolfe at the hearing. In summing up the whole subject the report of the Commission says:

Mr. Wolfe's report itself expressly finds that the company's capital was doubled since the year 1903; that its capital and reserve are each fully intact, and that its surplus, represented by solvent securities, is within $40,000 of that reported by that company—the difference being occasioned by corrections of Mr. Wolfe, which he was unable to sustain and which are manifestly erroneous; that the company pays its death losses promptly and is not litigious in its treatment of its policyholders. In addition to this, and in answer to the direct question by the Commission at said hearing, Mr. Wolfe stated that the company was observing the laws of the State of Virginia, the provisions of its charter and the terms of its contracts with its policyholders, and that its capital and reserve were intact and unimpaired. From these admissions and all of the evidence adduced at this hearing, the Commission is of the opinion that the present management and condition of the Life Insurance Company of Virginia is beyond criticism; that it pays its death claims promptly and is not litigious in its treatment of its policyholders; that it is in sound financial condition, and that its surplus on December 31, 1906, the date of its last annual report, was at least as large as therein stated, viz.: $301,693.23, and that it is entitled to the confidence of its policyholders and of the public.

The Commission, therefore, orders that the said report of S. H. Wolfe be, and the same is hereby, disapproved and rejected.

From all the testimony that we have carefully reviewed it is evident that Mr. Wolfe exceeded the purpose of the usual examination of an insurance company. The ascertainment of the present condition of a company, that it may be determined whether or not it is entitled to public confidence, is the legitimate function of every insurance department and every insurance examiner. Every company makes history year by year, and the management of each succeeding year must be credited with the good it does or the evil it perpetrates. Their successors cannot be held responsible for acts in which they took no part and had no voice. In those strenuous days when life insurance was struggling to maintain a foothold under adverse circumstances, managers of companies were driven to their wit's end to avoid the many dangers which threatened them. Many companies succumbed in the struggle, but it is to the credit of the management of the Life Insurance Company of Virginia that it overcame all obstacles, doing justice to its policyholders, and that it is now a prosperous, growing company, sound and trustworthy. Under the management of the present president, J. G. Walker, who took office in 1901, the company has prospered and its business largely increased. The transactions of ten or fifteen years ago have no bearing upon the present condition of the company, and there is no good reason apparent why Mr. Wolfe, in his report, should have dragged them forth and held them up to unjustifiable and unnecessary criticism. The explanation of the matters of ancient date that he criticises are so fully explained and refuted by testimony of the highest order, that his report will scarcely be heeded by policyholders or the public.

OPINION OF DAVID PARKS FACKLER, CONSULTING ACTUARY,

Regarding the Examination of the Life Insurance Company of Virginia, Made by an Examiner for the State Insurance Commissioner.

The president of the Life Insurance Company of Virginia has asked me for a statement of my views regarding the report made to the Insurance Commissioner of Virginia by an examiner from New York city, specially employed by the Commissioner.

I have been consulted by the company during many years past, and in April of this year, when the company was confronted by the action of the Insurance Commissioner, they asked me to visit them as early as practicable, but without stating the reason. My previous engagements carried me elsewhere and I did not arrive in Richmond until the morning of the second and last day of the hearing before the corporation commission.

I was present during the whole of that second day and heard all the statements then made before the corporation commission. I have read very carefully the report of the examiner, the recommendations of the Commissioner based thereon, the answer of the company, and the order of the corporation commission.

As to the scope of the examination made under the direction of the Insurance Commissioner I can hardly concur with the corporation commission in the opinion that it was in no way justified, for the Insurance Commissioner may very properly give some attention to other matters than mere present solvency. As this was the first examination of the company by a Virginia State official, it would seem to have been reasonable to examine the entire previous history of the company to some extent and report upon all matters relating to the treatment of policyholders and the general good faith of the officers so far as necessary.

On the other hand, I must say that justice required that no criticisms should be made regarding the actions of officers of the company in the remote past, without giving the fullest consideration to the difficulties then confronting them, particularly when the report was to be made the basis of a recommendation that the company should no longer be permitted to do business, though its solvency was admitted.

The findings and report of a duly appointed State examiner should always be received with much respect. Such examination work is difficult and exacting for the examiner, and very important to the public interests. An examiner is, of course, only human and is liable to make some more or less important oversights or mistakes, which must be judged by their relation to the size of the company and the character of his report. The mistakes in this report regarding dividends paid to stockholders appear to show some haste in its preparation by the examiner, but they are in no way fundamental or particularly important.

When, however, as on sheet 43 of this report, the examiner charges that, "on June 9, 1901, the president discounted notes of $125,000," and it appears that the correct date was June 9, 1891—ten years earlier—and the amount only $12,500—over $100,000 less—we cannot pass over such errors as mere typewriter's mistakes, as the point of this charge lies in the alleged great size of the loan and its alleged recent date. An examiner should not sign and hand in a report containing such grave charges without most careful inspection of important items like these. The evident neglect of such precautions affords good ground for the belief that the examiner did not give just consideration to the company's side of the various matters in which he charges unfair treatment of policyholders and almost criminal misstatefent in the annual reports.

The Life Insurance Company of Virginia is the only survivor of the many Southern life insurance companies that were organized between thirty and forty years ago. It has passed through many vicissitudes which were mostly due to harsh valuation laws or stringent legislation in the States where it was doing business. Like its contemporaries it would doubtless long ago have ceased to exist but for the ability and resourcefulness of its managers. Mr. Emory McClintock, actuary of the largest and oldest life insurance company in this country, stated at a meeting of the Actuarial Society in May, 1904: "Nothing can be more true than that the older companies to-day would not be in existence if the present net valuation laws had been stringently enforced during the first few years of their existence." (Page 80 of The Transactions, May, 1904.) The history of this company, until a very few years ago, shows a series of constant struggles against crushing competition.

The charges that the company has treated its policyholders with injustice and unfairness did not bear the impartial examination to which they were subjected by the corporation commission. Both the Insurance Commissioner and his examiner had to confess that, during the many months the Insurance Commissioner had held office, and during the many weeks since the examination began, they had not learned of a single complaint ever having been made against the company by any policyholder on account of the alleged unfairness in the policy changes. (I was present when this occurred.) Had there been any genuine dissatisfaction among policyholders on these accounts, it would surely have come to the knowledge of rival agents long ago and would have been brought to the notice of the State insurance officials wherever the company did business.

It was fully shown that in all cases where the company had persuaded policyholders to change their policies there was great and pressing need

for such relief on the part of the company, and it goes without saying that the preservation of the corporation is essential to the welfare of the policyholders. In the first instance, twenty years ago, bankruptcy proceedings were impending for two years, and it was saved only by the able and energetic action of its officers, backed up by the good sense of its policyholders. The other instance occurred eight years ago, when Louisiana passed a law that no company should be allowed to do business there unless it had combined surplus and capital of at least $200,000 above all policy liability. The injustice of this legislation is evident from the fact that in New York and practically all the other States, a surplus of $100,000 as to policyholders has always been considered sufficient security. Whether this legislation was obtained by some rival Northern companies, which decided to drive this Southern company out of the State, or whether it was pure "strike" legislation, cannot now be stated. To the Life Insurance Company of Virginia, which had nearly one-fourth of its industrial business in that State, this would have been a crushing blow, had not the policyholders seconded the efforts of the company to get around the difficulty by an arrangement under which the company's liability was reduced, while the full amount of every insurance was kept in force. Shortly afterwards the company made provisions for reinstating every policy on its original footing, should it be desired by the policyholder; and, as stated by the examiner, the full reserve has now been provided to reinstate every changed policy.

The examiner's report, sheet 18, quotes the resolution dopted by the management defining how the policyholders should be treated, and gives the date as September 15, 1901. This resolution provides for reinstating the policies which had consented to the change of plan, and for giving them dividends to which they would not have been entitled under the original contracts. The examiner on the next sheet attempts to belittle the action of the company in this respect by quoting another resolution, dated August 18, 1901, which he says was in limitation of the one just mentioned, although its date was one month previous, and its language shows specifically that it refers to an entirely different class of policies from those mentioned in the September resolution. This is another serious case of misstatement by the examiner, which shows ill considered action on his part.

At various times during its history the company found it extremely difficult to maintain the net reserves required under the laws of the different States after paying the heavy expenses required to obtain the business, though its premium income was sure to yield an ample surplus in a short time. Like many other companies, it would gladly have reduced first year's expenses by giving agents a larger renewal commission on succeeding years' premiums, but could not induce agents to accept such arrangements, as they needed immediate compensation for their work. To make good the deficit caused by heavy first year's expenses the management determined to obtain assets from various capitalists in exchange for contracts to give them the very same commissions on future premiums which it would have preferred to have given to agents directly, if the latter could have been induced thereby to accept smaller first year's commissions. The funds tendered by the capitalists had been invested in mortgages, which were turned over to the company as the consideration for the commissions to be paid upon future premiums.

It should be understood that the system of net valuation, which wrecked so many companies, makes no allowance for any resources that will be derived from a company's future premium income, though large premiums to be received in the future evidently contribute to the strength of a company. In a case where a man is holding two policies of the same amount and date, but in different companies—one policy requiring a premium of only $80 yearly, and the policy in the other company requiring a premium of $100 yearly—the net reserve system requires both companies to hold exactly the same reserve, although the latter company will receive every year during the man's life $20 more than the other, and so could be perfectly solvent with a smaller reserve than would be required for safety in the case of the company charging the lower premium.

If the company charging the higher rate of premium should find itself in danger of insolvency, and could relieve itself by contracting to pay a capitalist for a limited time two per cent of each premium received upon its policies as a consideration for his furnishing the needed assets, it would certainly do well for its policyholders to avail itself of such an arrangement rather than risk bankruptcy.

Very many contracts have been made by companies with agents under which the agent or his estate is guaranteed a certain renewal commission for a long term of years, even if he should no longer serve as agent for the company. Such contracts have never been considered as a present liability of the company by any Insurance Department, and quite often agents have borrowed from capitalists very large sums of money upon assignments of their future renewal commissions. When such commissions in other companies were paid to capitalists instead of to the agent, they were considered to be properly chargeable to "commission account" in every case, and certainly the Life Insurance Company of Virginia might very properly charge these payments to commission account, as they exactly correspond to what might have been paid directly to agents, or to the assignees of agents.

The contracts connected with Pennsylvania mortgages were rather complicated, and I think the examiner failed to comprehend them in all their bearings. It appears from the company's own statements that six years ago they took exception to some of the properties covered by the mortgages, as they did not appear to be of sufficient value to secure the mortgages, but it appears that they must have had a value, either intrinsic or speculative, considerably above what the examiner assumes. He states on sheet 12, "The lands were purchased in 1892 for $266, which was not a nominal consideration, but was the result of a public auction sale, well attended by people supposed to be familiar with the value of the land." It should be noted that he uses the expression, "supposed to be familiar," etc., and apparently makes no allowance for the fact that at tax sales probably no one buys unless there is chance for very large profit. Further on, sheet 13, he states that, "In January, 1899, these lands were deeded by their record owners for $151." Whether this was a nominal consideration or not can best be judged by the fact that, on the same sheet further down, he shows that, in 1899, there was paid for taxes on these lands $462.29, or more than three times the amount of the recorded consideration stated above.

It is true that the taxes paid in 1899 were much above the average of those paid for the five years for which there is any record, and the average annual taxes were only about $200, which, though more than the consideration as mentioned above, may seem a small amount of taxes upon property mortgaged for $125,000; still it was, however, not positive evidence of great lack of value in the property. I know personally all the details of a case in which several hundred acres of wild land, located within eighty miles of New York city, cost their owner on a speculation nearly $9000, and have been held by him as worth $10,000, yet the annual taxes are only about $25.

The examiner, however, certainly states the case regarding those Pennsylvania mortgages very unfavorably for the company, and the answer of the company does not appear to relieve the former management of the company from all blame. So I see no reason to doubt the justice of the decision of the corporation commission respecting the acceptance of those mortgages. It seems clear, however, that John G. Walker, now president of the company, took steps to rectify all these matters as soon as he took charge of the company.

My acquaintance with G. A. Walker has been slight, and I have seen but little of him since the year 1900. I must state, on the other hand, however, that I never saw anything that led me to believe him otherwise than strictly honorable. Of J. G. Walker, however, I have seen very much more and enough to justify me in stating that I believe him a thoroughly straightforward and reliable man.

I knew nothing of the action of the company regarding its industrial policyholders in the year 1899 until I was informed in September, 1901, and asked to advise what should be done. I recommended the action indicated by the resolution shown on sheet 18 of the examiner's report, and believe that the language of that resolution is identical with the draft I drew up at the time. The examiner called it "a very frank resolution," and was probably unaware of its origin. It seems to me that it would have been only fair to the present officers of the company, who not only adopted this resolution, but also acted upon it, to give them due credit for the sense of equity which must have inspired them. On several occasions since then I have discussed matters affecting the interests of policyholders with John G. Walker, and have always considered him disposed to do the fair thing by the policyholders.

Although the examiner may have felt himself compelled to question the integrity of the management of the company under the former president, I am unable to understand how he could retain unfavorable impressions after meeting the present officers, whose bearing, conversation and record should, in my opinion, satisfy any one that, however strange some things might have appeared at first, there must be some favorable explanation when all facts have been fully investigated.

The above remarks deal with the examiner's report on all the important charges of mismanagement, and it seems unnecessary to make any further statement except as to the additional liabilities charged on sheet 44. The examiner is quite correct in adding to the unpaid death claims all cases in which death occurred prior to January 1, 1907, though not reported to the company by that time. This is the practice in all examinations, and some companies always charge themselves on December 31, with an estimated liability on that account that will probably be sufficient to cover cases not yet reported. The examiner, however, is not correct in charging any liability on account of the $34,500 which he assumes to be directly due under the contracts by which certain percentages of premium, designated "commissions," were to be paid. The company contend that all these contracts had terminated by limitation by 1906, and it is clear that in any case the liability was no more positive and direct than it is in contracts with agents for the payment of renewal commissions, which, as before stated, are never considered as liabilities.

The examiner is also mistaken in charging as a legal liability on December 31, 1906, the $6000 dividend on stock declared in December, 1906, but not payable until January 10, 1907. The directors could have rescinded their action any time before the dividend was paid out, and as they were not under legal obligation to make a dividend, it was not a liability.

In conclusion, I will state that I believe the examiner might have greatly changed his report if before completing it he had obtained all the information that was brought out at the hearing before the corporation commission, where both sides had a fair presentation. The action of the company's managers has resulted in bringing the company from a condition of great weakness into one of great strength, according to the examiner's own statement, and, though good results would not justify essentially bad means, such results are *prima facie* evidence that the methods were justifiable under the exigencies under which employed. The order of the corporation commission appears to be just as to all past matters and conservative as to present conditions.

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UNEARNED PREMIUM RESERVES IN FIRE INSURANCE.

THE late Osborne Howes, of Boston, in what was perhaps his last article written for publication—one upon the "Insurance Lesson of the San Francisco Fire," in The Inter-Nation—held that the English freedom of action on the part of fire insurance companies is better, on the whole, than the close regulation of such institutions which obtains in the United States. In his opinion, the laws fixing as a positive and unvarying liability, a certain portion of the premiums written by a fire insurance company, and making uninjured policyholders preferred creditors to that extent, deprive loss claimants of a security to which they are equitably entitled, taking the broad view that the real function of fire insurance is that of the making good of the losses of the few by the many who do not suffer losses. Mr. Howes, in speaking of the English customs and their effect in the San Francisco emergency, says:

They (English underwriters) have been free from the thraldom of that official superstition that holders of fire insurance policies who are not sufferers by fire have claims upon a company in which they have insured their property that are superior to those possessed by the policyholders who have had their property burned up. One risks little in saying that if this absurd theory had governed English corporate action the sufferers by the San Francisco fire would have received fully $10,000,000 less in British gold than was paid to them in settlement of their losses.

There were seventy-eight American fire insurance companies doing business in San Francisco last April under official authorization. Of this number seventeen paid their losses in full, and sixty-one compromised the claims made upon them by discounts varying from five per cent to seventy per cent, the greater number paying from eighty-five to ninety per cent of their admitted liabilities. But in these settlements the unfortunate effect upon sufferers by fire of the reinsurance liability is plainly apparent. * * * * It seems more than probable that had it been possible for the directors and officers of our American fire insurance companies to have treated their reinsurance reserve funds with the freedom that they could have treated these if they had been in control of English in place of American corporations, instead of seventeen companies paying in full and sixty-one compromising, the conditions would have been reversed; those losers by the San Francisco fire who had policies in this latter class of companies would have been paid fully $10,000,000 more than they received, while a record of correct practices would have been established by our home institutions which would have been of material value both to them and to the country.

While Mr. Howes has presented a good argument in favor of greater elasticity in the laws governing fire insurance companies, such laws, especially those regulating the unearned premium reserve, are the outgrowth of earlier unsatisfactory conditions, and have accomplished wholesome results in placing fire insurance upon a much more stable foundation than it formerly occupied. While there are numerous British companies which have demonstrated their desire to conduct their operations along safe lines, and to provide ample reserves, there have been companies of another stamp, which have taken advantage of the latitude granted them by the laws to fleece the public. There is much to be said on both sides of the question under discussion; but it would seem to be unwise to throw off all legal restraint, as the absence of regulation would tend to encourage the formation of concerns which would operate recklessly, and probably fail disastrously, thus bringing odium upon fire insurance in general.

THE celebration of the Fourth of July this year was on a more extensive scale in all parts of the country than usual. Exceptional prosperity made itself felt in a special display of patriotism in the true American style, and the noise and confusion incident to the occasion began on the evening of the third and lasted till midnight of the fourth. Dealers in fireworks and other explosives reaped a richer harvest than they have known in years before, anticipating which many new features in fireworks and noise-producing appliances were introduced, to the great delight of thousands of small boys, also girls and many adults. The list of casualties was proportionately larger than ever before. The Chicago Tribune, which has made a specialty of gathering casualty statistics, reported that up to the morning of the sixth it had a record of 59 persons killed and 3807 persons injured, some of the latter so seriously that they were expected to die. Later reports added to this list somewhat, but the figures given are sufficiently accurate to indicate the enormous price we pay annually for the privilege of working off our enthusiastic patriotism. The list of fires that occurred on the fourth included 116, more or less serious, which was double the number of burnings on the previous fourth. What a great pity it is that some way cannot be devised for recognizing the anniversaries of our independence in a more sensible and less disastrous manner. Perhaps the time will come—in the millenium.

FROM correspondence and verbal reports that we receive, it is evident that a much better feeling is prevalent among life insurance fieldmen at present than existed some months ago. Conditions are becoming normal, after the insurance hysteria that afflicted the public for a time, and agents find business coming in more freely. Life insurance was the victim of sensationalism of such a pronounced type that it overdid itself, and the natural reaction has set in. The companies, that were subjected to some criticism that was justified and to much abuse that had no foundation in fact, have been reorganized, and the new managements are conducting

their affairs on conservative lines. Many thousands of dollars, that were formerly extravagantly disbursed, have been saved to the policyholders, who will find their credits larger in consequence in the future. Many agents and solicitors, who were compelled to seek other employment during the period of life insurance eclipse, are returning to their preferred avocation, and taking up the business from the point where they laid it down. These, and the other trained men of the agency forces, are active again, and the new business reported to their companies is conclusive evidence that they have lost none of their old-time vigor or ability. If there are any who are still hesitating about taking the field again, they can be assured that conditions have never been more promising than at present, and that business is easier to get because of the increased knowledge regarding life insurance that has been disseminated during the past two years. Even the sensational reports that were so freely circulated had a tendency to make the indifferent look into the matter, and to see and realize the great amount of good that has been accomplished by this beneficent system. The atmosphere has been clarified and life insurance, erected upon a substantial and trustworthy foundation, has entered upon a new era, and all who have at any time been identified with it should hasten to take advantage of the situation. The "boom" is on and the "hustlers' " opportunity is ready to his hand.

A SLIGHT diminution is noticeable in the fire loss of the United States and Canada in June last, when compared with the preceding months of the year, although the June losses in 1907 exceeded those of 1906 by $800,000, and those of 1905 by about $2,000,000, having aggregated $14,765,000, according to the records of the Journal of Commerce. This sum brings the total for the first half of 1907 up to $117,477,-500, or at the rate of $235,000,000 for the year. The latter sum would far exceed the losses of any previous year except those during which great conflagrations have occurred. In view of the experience thus far this year, fire underwriters would do well to strenuously endeavor to hold their premium rates up to a remunerative level, and not weakly yield to every threat of rate-cutting.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

At the regular monthly meeting of the Life Underwriters Association of New York, held on June 25, there were elected to the national convention of Life Underwriters, to be held at Toronto on August 21, 22 and 23, the following: Delegates at large, Richard E. Cochran and Charles Jerome Edwards. Delegates, Tilden Blodgett, George A. Brinkerhoff, C. V. Dykeman, T. Reid Fell, J. A. Goulden, Robert H. Hardy, William C. Johnson, Edward W. Lee, D. G. C. Sinclair, A. G. Shepard, George A. Smith, J. Carlcton Ward, Frederic E. White, William E. Wilkinson.

CHICAGO AND THE WEST

The protest filed with the Illinois Insurance Department gainst the valuation placed by the National Life of the United States of America on its building on La Salle street is declared by officers of the company to have been inspired by a discharged employee. On the company's books the building is carried at a valuation of $3,000,000, and is netting the company five per cent on that amount. It is generally expected that the present valuation of the property will stand, the custom of the Insurance Department being to abide by the estimate of its own appraisers.

BOSTON AND VICINITY.

The Massachusetts Supreme Court has handed down a decision of the full bench in the case of George G. Peters vs. the Equitable Life Assurance Society, that a policyholder may bring action in the State of his residence against a foreign insurance corporation, requiring an accounting of his share of the dividends accruing as a holder of a tontine policy. The defendant company claimed that to prepare such an accounting would necessitate the going over of the company's surpluses, amounting to over $58,000,000, and would entail an extra expense upon the company of some $50,000, and sought to have the court rule that by virtue of the contract existing between the company and the plaintiff action could only properly be maintained within the limits of the State in which the company was incorporated. The court, however, decided that the relation between the plaintiff and the defendant was purely and simply that of debtor and creditor, and that none of the contentions of the company affected in the least the rights of the plaintiff to maintain action in this State, and hence refused to dismiss the action in accordance with the demands of the defendant company.

Chester & Hart, Massachusetts and Rhode Island managers of the Ætna Life, have removed to the Mason building.

The Colonial Mutual Disability Company of Waltham, Mass., has been authorized by the Insurance Department to begin business. The company is an assessment concern, organized in March, 1907, and will do a general health and accident business.

The New England Womens Life Underwriters Association has elected the following delegates and alternates to the National Association: Delegates, Mrs. Florence E. Shaal, Equitable; Miss Lucy M. Morrill, Equitable; Miss Julia A. Sprague, State Mutual; Mrs. Vina B. Peaks, New York Life; Miss Amy L. Woodward, Columbian National. Alternates, Miss Emily A. Ransom, the Standard; Miss M. G. A. Toland, Mutual; Miss Caro F. Colburne, New York; Mrs. Linda G. Page, Equitable; Mrs. L. T. Lane, State Mutual.

Edward J. O'Neil, with the John C. Paige & Co. agency, has been appointed Massachusetts manager of the United States Fidelity and Guaranty Company of Baltimore, succeeding T. J. Falvey, who resigned to become (so it is said) manager of a new surety company which is being formed in Boston.

Governor Guild has appointed Robert J. Dunkle of OBrion & Russell a member of the State commission known as the Board of Boiler Rules, a newly created board composed of five members, who are to formulate rules governing the manufacture, installation and inspection of steam boilers used in Massachusetts.

The recess committee on insurance of the Massachusetts Legislature consists of the following: Senators Buttrick, chairman; Grimess, Macleod, Wheatley, and Representatives Schoonmaker, McKnight, McKirdy, Nichols, Brigham, Newhall, Dennett, Birch, Trudel, Burnett and Dean.

NOTES FROM PHILADELPHIA.

Vogel, Wharton & Gott of Pittsburg, Pa., have been appointed general agents of the Illinois Surety Company for Western Pennsylvania.

Don M. Larrabee, formerly prominent in life insurance circles in this city, and recently agency director of the New York Life at Harrisburg, Pa., has tendered his resignation of that position, and will shortly take up the practice of law at Williamsport, Pa.

In connection with the Casey employer's liability act, S. H. Pool, manager of the Fidelity and Casualty Company, is quoted as saying:

"All companies of any standing which have future stability in view, made an increase on all risks in June, and made another advance for July, and it is a question when the rise will stop. The first result of the law was to make Pennsylvania the worst insurance State, whereas it was formerly one of the best." Some think that a great deal more of litigation will result from the law, but Maurice W. Sloan, who is counsel for some of the leading companies, is of the opinion that it will result in a greater effort being made on the part of employers and insurance companies to bring about compromises. He also disagrees with those who think the law is unconstitutional.

THE MIDDLE STATES.

—Following an examination by the New York Insurance Department, the Attorney-General reports that the National Relief Assurance Association of New York is hopelessly insolvent.

—The Union National Life Insurance Company of America, of Sewickley, Pa., has filed articles of incorporation under the laws of Delaware. The incorporators are Louis P. Forrester, Sewickley, Pa., and William Marshall and A. Donald Marshall of Milford, Del.

THE NEW ENGLAND FIELD.

—After January 1, 1908, the New England Mutual Life of Boston will write on a three per cent basis, using the American Table of Mortality.

—The "Dresser case" against the Hartford Life has been finally disposed of. A year or so ago a few dissatisfied policyholders in the company's safety fund department, headed by Mr. Dresser of Hartford, brought suit against the company, asking that its affairs be placed in the hands of a receiver and an accounting be required. The company's counsel demurred to the complaint, both generally and specifically, and, after due trial, Judge Robinson, of the Superior Court of New Haven County, at the June term, handed down a decision which is a complete vindication of the company's position.

THE WEST.

Ohio Items.

[From Our Own Correspondent.]

J. C. F. Hull has resigned the presidency of the Ohio State Life and will hereafter devote his entire time to some mining interests in the West. He has also resigned the presidency of a bank in his home town, Bucyrus. It is thought that L. C. Laylin, former Secretary of State, will be made president of the Ohio State Life to succeed Mr. Hull.

Superintendent of Insurance Vorys had a hearing on the report of the condition of the American Insurance Union of Columbus a few days ago. Examiners of the Department found thirteen different discrepancies between their figures and those of the organization furnished the Department and asked the officers to explain. A number of members of the concern appeared and after going into some of the points, the hearing was adjourned until after the convention of the order which is to be held next week.

Isaac and Roy L. Hartzell have arranged to become agents of the Equitable Life of New York at Youngstown, with an office in the Burt block. They have up to this time been interested in the Weil-Hartzell Company. A loan and real estate business will be conducted in connection with the life business. O. M. C.

Cleveland, July 6.

—The Prairie State Life is being organized at Mattoon, Ill.

—William H. Herrick has resigned as supervisor of agencies of the Massachusetts Mutual Life at St. Louis.

—W. F. Bechtel, formerly president of the Northwestern National Life of Minneapolis, has been sentenced to serve five years in State prison. He was convicted of grand larceny.

—C. F. Kutnewsky, general superintendent of agencies of the Continental Life Insurance and Investment Company, has returned to the home office in Salt Lake City, after a trip through the Northwest and Pacific Coast States, where he has been establishing agencies and looking after the interest of that company.

—The Security Life of America, executive office Chicago, Ill., is increasing steadily in size, importance and usefulness. It is, with judgment, extending its business into additional States, and, having recently complied with all the requirements of the Insurance Departments of Kentucky and Arkansas, it has just received from the Insurance Commissioners of those States full authority to do business therein.

—The North American Life of Newark, which was authorized to transact business in Michigan recently, is making steady progress. James H. Prentiss, Michigan manager, has written $100,000 worth of non-participating insurance in eight days, or at the rate of about $5,000,000 a year. Mr. Prentiss was for years a member of the New York Life "$200,000 Club." He is a graduate of the University of Michigan and has a wide acquaintance throughout the State.

— The Midwest Life of Lincoln, Neb., has recast its agents' contract. Hereafter the renewal commissions will depend upon the volume of new business produced each year by an agent and the number of full years he has been in the employ of the company. All renewal commissions earned on this basis will be non-forfeitable even if the agent leaves the Midwest Life and enters the service of another company. In other words, an agent's renewals become his property absolutely.

THE SOUTH.

—The Des Moines Life has entered Georgia.

—Thomas H. Harris of Baton Rouge has been appointed Louisiana State agent for the Great Western Life of Kansas City.

—After July 25 the management of the ordinary department of the Prudential in Kentucky will revert from Charles T. Trueheart to the firm of Furlow & Avery.

—The Houston branch of the New York Life, under Agency Director C. W. Nelson, has been closed, and Mr. Nelson will come to Buffalo, N. Y., to take charge of that office. Since the opening of the Houston office in March, 1899, 10,000 people have been insured for more than $20,500,000.

—The contract between Sampson & Shield, general agents at Richmond, Va., of the Home Life of New York, has been terminated in order that these gentlemen may give their entire time to the General Accident Company of Philadelphia, which company has been in their office since early in the year.

—According to recent advices, the following companies have signified their intention to withdraw from Texas: Ætna, Columbian National, Des Moines, Equitable, Fidelity Mutual, Germania, Home, Manhattan, Massachusetts Mutual, Mutual Benefit, Mutual, National, New York, Northwestern Mutual, Penn Mutual, Pittsburgh Life and Trust, Prudential, Security Mutual, Travelers, Union Mutual, Washington, Wisconsin.

—The Empire Life of Atlanta is progressing favorably, and has recently taken enlarged quarters in the Peters building. So careful has the selection of risks been that the company has only recently paid its first lump sum policy covering the life of Mayor L. A. Clark of Covington, who died the latter part of May. It operates on a three per cent basis and will confine its operations to Georgia during 1907, writing the modest sum of $10,000,000, and will enjoy an income of something over half a million dollars.

—The Security Mutual Life Insurance Company, Binghamton, N. Y., has decided to withdraw from the State of Texas because of the Robertson bill, and to that end has served notice of termination of all agency contracts existing in that State. It has arranged to transfer General Agent J. W. McCracken from Fort Worth, Tex., to Oklahoma City. As Mr. McCracken has for a number of years written a considerable business in Oklahoma and Indian Territory, it is confidently expected that he will be able in that territory to continue the good work he has done in the past and maintain his usual volume of new business.

—The American Central Life has been licensed in Alabama and Kansas. J. Ware Walker of Springfield, Ill., has been appointed State manager by the company for Alabama. James H. Swearingen of Kansas City, Mo., who has been for three years manager of Northern Missouri for the company, has added to his territory Kansas, for which he becomes State manager. The company has appointed John T. Boone, Sr., formerly with the New York Life, manager for California, Washington and Oregon, the company intending to establish a Pacific Coast department. W. W. Dark, secretary, has recently assumed the duties of superintendent of agencies.

—R. Y. McPherson, a widely known and successful life insurance man, has resigned his position as agency director for the New York Life in Eastern North Carolina, with headquarters in Raleigh to become agency manager of the Greensboro Life, assuming the duties of his new position with the beginning of the present month. Mr. McPherson was with the New York Life for fourteen years, during which time he was instrumental in building up a large volume of business for that company and materially strengthening its agency force in his territory. He is well qualified, both by training and experience, for the important work of his new position with the Greensboro Life.

—C. R. Porter, president of the State Mutual Life of Rome, Ga., has the following to say regarding the recent opinion of the Attorney-General of Georgia affecting the corporate agency plan: "While we have been convinced of the legality and equity of the corporate agency plan as represented by the Co-operative Agency Company in its relations with the State Mutual, we have no desire to introduce any plan of insurance that does not meet with the hearty approval of the Comptroller-General and the Attorney-General of Georgia. In deference to Comptroller-General Wright's opinion and the opinion of Attorney-General Hart, agency stock will not be sold in the future in any State in connection with policies of insurance issued by the State Mutual. In the first place,

our corporate agency plan was submitted for approval to the Comptroller-General and by him to the Attorney-General. The officers of the Co-operative Agency Company, convinced of the wisdom of their course, sold a few shares of stock in prosecuting the business of the agency company as the general agent of the State Mutual. All sales were discontinued when the State authorities withheld their approval of the plan. The stockholders of the Co-operative Agency Company, who are few in number, will be adequately and fairly protected."

MISCELLANEOUS LIFE NEWS.

The American Life Convention.

Following is the program of the annual meeting of the American Life convention, to be held in Indianapolis on September 5, 6 and 7. The moruing of September 5 will be devoted to routine business.

SEPTEMBER 5.

Afternoon.—"How Fast Should a Young Company Grow?" W. H. Gregory, president Citizens Life, Louisville. "Investments and Surplus," E. P. Melson, president Missouri State Life, St. Louis.

Evening.—Executive session.

SEPTEMBER 6.

Morning.—"How Cau We Retain Good Agents and Eliminate Bad Oncs?" T. F. Giddings, superintendent of agencies, Michigan Mutual Life, Detroit. "Sacred Right of Contract Crystalized in Life Insurance Policies, Not in Law," Samuel B. Smith, counsel Volunteer State Life, Chattanooga.

Afternoon.—"How to Prevent Acceptance of Undesirable Risks," Dr. M. M. Lairy, medical director La Fayette Life, La Fayette. "Sub Standard or Impaired Life Risks and How a Small or New Company Can Afford to Write Such Business with Safety," Paul L. Woolston, actuary, Denver.

SEPTEMBER 7.

Morning.—"How Can Assets be Adjusted to Protect the Company from Evils of Possible Panics? Convertible Assets," Sidney W. Foster, secretary Royal Union Mutual Life, Des Moines.

Reports of committees and officers, unfinished business and election of officers will take up the balance of the session.

—We are a subscriber to The Spectator, and have been a reader of it for many years and have always considered it among the very best journals.—F. C. Burnham, manager American Life Insurance Company.

—The president of the National Association of Life Underwriters has addressed a communication to local associations for the purpose of ascertaining how the so-called Armstrong laws are affecting agents, in order that he may use the information in a general way for the benefit of the membership. The questions asked are given below: 1. Have any heretofore prosperous agents in your vicinity quit the business because of the reduced schedule of commissions, and if so, how many? 2. Do you think solicitors in your vicinity are earning enough money to satisfy them and justify them in remaining in the business? 3. In your opinion, does the present basis of compensation afford sufficient opportunity for profit to the general agent? 4. Is the present scale of commissions satisfactory to you? If not, what changes would you like to have made? 5. Are you behind last year in the business written?

INDUSTRIAL INSURANCE

—The Colonial's leading managers' divisions are Williamsburgh, Louis Janson; Newark, C. W. Hugg; Easton, J. W. Allbritton; Elizabeth, H. Morlock.

—W. J. Runger of the Colonial, has been transferred from Trenton to Philadelphia, and Raymond R. Mashier has been appointed assistant at Patterson.

—W. H. Spang, assistant for the Metropolitan at Reading, Pa., has been promoted to the superintendency at Allentown, Pa., succeeding H. G. Rand, transferred to Springfield, O.

—In the Colonial's "White Banner" contest for the first half of 1906, the trophy fell to Manager J. I. McLoed of Pittsburg. Elizabeth, under Manager H. Morlock, was next, followed by Newark, under the leadership of Manager C. W. Hugg.

—The Life Insurance Company of Virginia reports the following changes and promotions: Agent M. R. Wiggins of Raleigh, promoted to assistant in that district, succeeding S. C. Fallis, resigned. Agent G. A. Smith of Roanoke, appointed assistant in that district, succeeding C. S. Hugglns, resigned.

—The following Prudential agents have been advanced to the rank of assistant: L. T. Clarke, Springfield; W. C. Mosier, Cleveland 2; G. H. Zell, Camden 2; J. S. Baum, Oshkosh; O. E. Calender, Peoria; A. J. Howard, New York 8; M. Markowitz, New York 10; V. H. Hilton, Lawrence; J. P. Rogers, Dubois; W. F. Zurney, Tarentum; E. L. Alter, Akron; H. W. Maier, Piqua; J. R. Pohe, Sandusky.

—The lapse record in the Life Insurance Company of Virginia continues to show some remarkably good work. As an example of what can be done by persistent effort, Wallace of Elizabeth City has covered ten consecutive weeks without a lapse; White of Newport News, seven weeks; Carroll of Norfolk, six weeks; Gupton of Hendersou and Dailey of New Orleans No. 3, five weeks. Ten other men have covered three weeks without lapse and sixteeu are free from lapses for two weeks.

—The Somerville, Mass., district of the Metropolitan, Superintendent T. J. Goodman, recently wrote 180 industrial applications and $25,000 ordinary business. The staff of Assistant Winsor of the Metropolitan in Boston wrote during a recent week sixty industrial applications and seven ordinary applications for $4000. The Binghamton, N. Y., district under John McGuinness of the Oneonta detached section, with one of his agents, Jay Ciesieski, in a recent week while making an inspection of the debit wrote fifty-three industrial applications and $2500 ordinary.

—When canvassing the first house, learn the names of the families in the adjoining house, and when you canvass that house, ring the first floor bell and enquire for the family on the second or third floor; this ensures your entrance to the house. Don't talk insurance on the porch. When you have canvassed the families on the upper floors, call upon the first floor family; there is just enough human nature about a woman on a first floor to want to know what you are talking about to her neighbor. You will be welcome! Then ask the names of the people on each floor next door, and repeat at each house.—Prudential Record.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

Charles P. Pierce, for some years past assistant secretary of the city department of the Caledonian, died last week of a complication of diseases. His untimely death is greatly regretted by his many friends. He leaves a widow and two children, William Bradford and Elsie, wife of George W. Hubbell.

There was a sigh of relief when the patrol report of the fires of the Fourth of July were received by the fire offices on the 5th. That there were no serious losses was the subject of congratulation on all sides, although the festive cannon-cracker was in abundant evidence. The agency companies appear to have had remarkably good luck in their Fourth of July experiences throughout the country.

The committee on water supply of the New York Board is in close touch with the city authorities in relation to the condition of the new high-pressure or salt-water service in this city. Some changes for the better superintendence are already visible, but there is ample room for further improvement. The whole scheme of city work is overlaid with politics and graft of large or small magnitude. The Mayor and Fire Commissioner are apparently unable to follow all the branches of the service down to individuals, and the inefficiency of the system is manifest at a glance. This work, like the reconstruction of the fire alarm signal telegraph, has become enveloped in the schemes of politicians who are working it for what it is worth.

An order for insurance on a small lot of merchandise, belonging to a New York firm and located in San Francisco, was sent to that city a few days ago. In due course policies were received in companies using an earthquake exemption clause. These were objected to by telegraph, but an answer came over the wires, "Impossible to place otherwise." Nearly half the companies insist upon the clause, and which means that the insurance in San Francisco is more generally subject to the earthquake exemption than has been supposed.

Another evidence of careless brokers' work in non-concurrent policies came to light in the adjustment of the Jacob Doll's Sons' loss by fire of June 8. The premises were correctly described on the rate card in the cabinet as 906-916 and rear of Southern Boulevard and 119-127 Cypress avenue. A majority of the policies describe the building as 902-912 Southern Boulevard, and were non-concurrent with those written correctly. The loss was only $2,429.55 upon a total insurance

of $159,500, and for the purpose of apportionment the policies were treated as concurrent.

Several Canadian underwriters were in the city last week, consulting with American and English offices with reference to the proposed adoption of an earthquake exemption clause in the Canada policies. It appears there is a vigorous demand from the English companies for the incorporation of this clause in the policies issued in Canada. The opposition to it comes from the American companies represented in Canada with the few Canadian offices joined. The probability is the movement will fail, owing to the American standard policy system.

The combination of companies in the Hall agency in this city, now engaged in the insurance of motor launches, is about to extend its business so as to take in launches on Western lakes and rivers. It is claimed that the number of launches used in the West far exceeds the number used in Eastern waters, although that statement is hard to believe without the actual statistics. The business of insuring launches has grown immensely within two years, but has been limited in the West, owing to the uncertainties of the conditions.

The regular July meeting of the Exchange was called to be held yesterday. There was several important matters pending; but unless disposed of now, they are likely to go over until September. The practice has been to omit the August meetings of the Exchange on account of the hot weather.

Visits on behalf of new companies in process of formation, to New York agencies, have been quite numerous recently. The objective point is an additional subscription to complete the capital stock of the new companies, and the inducement held out is the Metropolitan district agency.

The vacation season has depleted many offices of head officials, and some of the Exchange and local Board officers are also enjoying a rest. The brokers have already ordered August renewals in anticipation of absence from the city. Now, if the losses will likewise take a rest, the joy of the managers will be complete. There is a healthy demand for renewals for August, but hardly a sign of any new business in any quarter. Visiting underwriters from the South and West are numerous.

The McCay & Cortis Company have moved their New York city offices to the third floor of the Royal building, 84 William street.

Insurance men will hear with much regret of the death of Elwood Hampton, father of Howard Hampton of the Hartford Fire. Death occurred on Friday night at his home in Brooklyn. He was sixty-nine years of age, and retired from active business several years ago.

CHICAGO AND THE WEST.

Separation of affiliating and non-affiliating companies in Illinois was decided upon by the Illinois Field Club at its recent meeting at Lake Geneva, Wis. The rule adopted provides that Union companies in an agency with non-affiliating companies must require the companies to comply with rates and practices or withdraw from the agency. This rule is not binding until the State Board, the Union organization, has agreed that its members will not enter these agencies to take the place of the non-Union companies. A few companies which do not belong to either the Union or the non-Union organizations, have been capturing the choice business by cutting rates, paying excess commissions and disregarding proper forms. Most of these have been in the non-Union agencies and the members of this class have been damaged considerably.

The late Dempster Ostrander, one of the veteran fire insurance men of the West, and who was connected with the Western department of the Phenix of Brooklyn for over thirty years, was generally known as "Judge" Ostrander, owing to his service at the bar and his authorship of "Ostrander on Insurance," long accepted by the courts as an authority on the subject, and other standard works. He entered the insurance business with the Republic in Chicago, and adjusted its losses after the Chicago fire. He then served the North British as special agent and adjuster and went with the Phenix as special agent in 1874. For many years he was attorney and general adjuster for the company.

Fire losses in Chicago for the first six months of 1907 have been greater by $1,106,944 than for the corresponding period last year. The total losses for the six months just ended amount to $3,512,788, while the total losses for the six months ended June 30, 1906, were $2,405,844. This is the condition shown by the report issued by the fire insurance patrol committee of the Chicago Board of Underwriters. The greatly increased losses during the first half of this year is regarded by insurance men as an echo of the demoralized conditions in the Chicago fire department, due to the "two platoon" agitation and other disorganizing elements during the last municipal administration.

An important ruling affecting the rights of fire insurance agents and brokers has been handed down by the Appellate Court in the case of Russell D. Hill against the State Bank of Chicago, as receiver for Donohue & Henneberry. The decision holds that a contract to place insurance must be lived up to as well as any other contract, and that if the contract is broken by either party the other must be indemnified. A contract had been given Mr. Hill to place the insurance for Donohue & Henneberry on the firm's building in return for his services in securing them a loan of $125,000 on the building. Later the firm was placed in the hands of a receiver, who authorized Mr. Hill to continue to handle the insurance. Shortly after replacing it the receiver notified him that he need not proceed further, as a lower rate could be obtained elsewhere. The evidence proved that Mr. Hill had informed the receiver that a lower rate could be secured if certain improvements were made on the building, having kept his part of the contract in every particular. The court held, therefore, that Mr. Hill was entitled to recover the commission he otherwise would have received and the adverse decision of the lower court was reversed.

The quarterly meeting of the Chicago Board of Underwriters will be held this week. The new nominations for the executive committee are P. D. McGregor of the Queen, H. C. Buswell of the Home of New York, and L. S. MacEnaney of MacEnaney & Hengle. The Dean schedule will be considered.

Farm mutual insurance companies doing business in Illinois have been put on the black list by the State Superintendent of Education, much to the displeasure of the officials of the companies. The farm mutual companies make a business of insuring school houses. The contention of the educational authorities is that the system makes it impossible to tell exactly what the liabilities of each district are, and it is insisted that each district should be able to define its financial position at all times.

BOSTON AND VICINITY.

John J. Downey, with Field & Cowles, has been elected a member of the executive committee of the New England Insurance Exchange, succeeding Horace H. Soule, Jr.

J. H. Bourne, for many years with Cyrus Brewer & Co., has been appointed special agent of the Metropolitan department in Boston of the Providence Washington.

The Insurance Department has authorized the Grain Dealers Mutual Fire of Boston to commence business.

The meeting, which is usually held in mid-summer, of the Massachusetts Association of Local Fire Underwriters, has been postponed until September.

The Richmond Fire of West Brighton, N. Y., has been admitted to do business in Massachusetts.

The following officers of the Lawrence (Mass.) Local Board of Fire Underwriters have been elected: President, James O. Parker; vice-president, George C. Corless; secretary, Eugene A. McCarthy; treasurer, Walter R. Rowe.

The Worcester (Mass.) Protective Department has elected the following officers: President, A. C. Munroe; secretary, George A. Park; treasurer, Charles E. Grant; superintendent, H. R. Williamson.

NOTES FROM PHILADELPHIA.

Maurice F. Sturtevant, an inspector with the Underwriters Association of the Middle Department, has resigned to take up the position of manager of the inspection department of the Woltman & Spangler Company agency at York, Pa.

W. V. A. Keeler has been appointed to succeed B. A. Killough, who has been called to the home office of the Continental, and made as-

sistant secretary, as special agent for Delaware, Maryland and District of Columbia.

James S. Ifill has been appointed an independent agent of the Guardian Fire of Pittsburg for this city, succeeding Wagner & Taylor.

Members who have been advocating that the Underwriters Association of the Middle Department follow the Philadelphia association in the making of term rates for sprinklered risks seem not disheartened after two such propositions have been defeated, but feeling sure of ultimate success have arranged to bring the matter before the association again at its July meeting, which will be held on the 16th at Atlantic City, N. J.

The Girard Fire and Marine has declared the usual dividend of $5.00 per share, the Lumbermens has declared a semi-annual one of six per cent, and the Fire Association a semi-annual one of $10.00 per share.

The effect of circular No. 157 of the Philadelphia Suburban Underwriters Association issued last week, is that there is no further charge in the territory under the jurisdiction of that association because of the San Francisco conflagration.

It is expected that Director of Public Safety Clay will this week take action upon the question of reorganizing the Fire Marshal's department. Last week he requested the resignation of Marion E. Schell, one of the assistant marshals, and it is said to be likely that others will follow. In reorganizing the department, Capt. Latimer is to be surrounded by assistants who will be able to perform the work of the department without the necessity of detailing policemen to assist.

THE MIDDLE STATES.

—Percy B. Dutton of Rochester, N. Y., State manager of the Teutonia of Allegheny, has appointed Jas. A. Fancher & Co. agents for Binghamton, N. Y.

—The Scottish Union and National has appointed Andrew MacKechnie, Jr., special agent for New Jersey. Mr. MacKechnie has been filling the position of stamp clerk at Morristown, N. J.

—Charles R. Knowles of Albany, N. Y., one of the most prominent underwriters in the State, died last week. The funeral services were held on Sunday last from his late residence, 276 State street, Albany.

—The Western of Pittsburg has declared a semi-annual dividend of 3 per cent; the National of Allegheny, a regular semi-annual dividend of 6 per cent and an extra 2 per cent out of the earnings of the last six months, and the Pittsburg, a semi-annual dividend of 8 per cent.

THE WEST.

Ohio Notes.

The two field organizations of this State and the Ohio Fire Prevention Association will have a three-days' outing at Put-in-Bay, beginning July 16. There will also be one or two business meetings during the time and matters will be gone over in a general way.

The Ohio League of Underwriters adopted a resolution at their monthly meeting Tuesday evening, approving the organization of a managers' association to which all questions of good practice shall be submitted and all special agents of non-union companies are requested to take questions up with their managers. A number of the companies are making cut rates on business and paying a big price for it, thus demoralizing the business in the State to a great degree and it is for the purpose of regulating this matter that the field men feel that an association of managers would be an excellent thing.

B. Z. Cohn of Cleveland has been bound over to the grand jury on the charge of burning his meat shop on Broadway last May. His partner testified against him. O. M. C.

Cleveland, July 6.

—The Southern of New Orleans and the Guardian of Pittsburg have been licensed in Iowa.

—The Lumbermens Mutual of Mansfield, Ohio, has entered Tennessee. A. B. Mason is the Nashville agent.

—Louis C. Fletcher has been appointed associate special agent of the Franklin Fire for Michigan, with headquarters at Detroit.

—For some time past the South Dakota Insurance Department has charged $20.50 per paper for the publication of the annual statement of fire insurance companies in one newspaper in each Congressional district, as provided by law. This year the charge has been increased to $26, the form now in use being longer than that previously used.

—S. D. Longshore has been elected president of the Columbiana County Mutual Fire of South Dakota, succeeding Dr. William Moore.

—Theodore E. Flanegan, special agent in Iowa for the Northwestern Underwriters, has been transferred to Michigan and Ohio, and will have his headquarters at Detroit.

—Following an investigation by the Minnesota Insurance Department, the license of the Mutual Cash Guarantee Fire of Sioux Falls, S. D., has been canceled in Minnesota.

—The Iowa Manufacturers Insurance Company of Waterloo will pay in the remaining $75,000 of its capital on or before January 1. The company will enter Illinois and possibly other territory.

—The Grain Dealers Mutual Fire of Minneapolis has begun operations, and will make specialties of elevators, warehouses, grain cribs, etc., and dwellings owned by elevator people. C. B. Shove is secretary of the new company.

—C. R. Hopkins of Chicago, recently with the Hendry Agency, died last week and was buried at his home town in Ohio. Mr. Hopkins was formerly head of the agency of Hopkins & Hasbrouck. He had been in poor health for some months.

—The Chicago Title and Trust Company of Chicago, receiver for the German of Freeport, may buy the claims against the German National of Chicago at not more than 60 cents on the dollar, and take over the assets of that company, in order to expedite the settlement of the German's affairs.

—The Walla Walla Fire will open a central department at Chicago, with Charles H. Spencer, who recently resigned his position as secretary of the company, as general agent. Mr. Spencer is succeeded at the home office by A. P. Conoway, special agent of the Northwestern National in Southern California.

—C. F. Simonson, formerly superintendent of ratings for The Union, has been appointed Western assistant general agent of the Southern and the Guardian Fire in the office of General Agent John E. Hendry. Mr. Simonson will be managing underwriter of the South-Eastern Associates in the West.

—The office of the Individual Fire Underwriters of St. Louis was removed on July 5, together with the other departments of W. H. Markham & Co., from its previous quarters, 906 Century building, to the new offices occupying the south half of the twelfth floor of the Pierce building, to which all of the insurance agents will soon move. The business for the Individual Fire Underwriters for the past six months has been of a good character, with a slight increase in premiums and only an average number of losses.

—The Insurance Agency Company of St. Louis has been appointed by the New York Vessel Insurance Agency as manager for territory west of Pittsburg. The latter agency writes insurance on gasoline launches and motor boats, a class of insurance for which there is a growing demand. The company is operated by several American and English fire and marine companies. Charles M. Hall & Co. are the New York managers. Stewart McDonald will be local manager at St. Louis, and Capt. J. W. Pipes has been appointed chief inspector for the Western department.

THE SOUTH.

—A bill providing for the restriction of wildcat and assessment fire companies has been introduced in the Georgia Legislature.

—The Southern National Fire of Austin, Tex., and the Walla Walla Fire of Walla Walla, Wash., have been licensed in Ohio.

—The old firm of Marshall J. Smith & Co. of New Orleans has been reorganized, owing to the death of Julian D. Payne, and its affairs liquidated and merged into the firm of Marshall J. Smith & Co., Ltd.

—Robert Lecky, Jr., has resigned as manager of the Milwaukee Mechanics for Virginia and North Carolina, to devote all his attention to the Virginia State, of which company he is vice-president and secretary. W. A. Holland succeeds Mr. Lecky as State agent.

—J. F. Flowers, stamp clerk of the South-Eastern Tariff Association at Charlotte, N. C., has resigned that position and is now organizing the Merchants Fire, with $100,000 capital and $25,000 surplus. The North Carolina Merchants Association is said to be backing the new enterprise.

—Smith & Cochran of Dallas, Tex., have secured the services of Allen C. McCabe as special agent for their companies in Arkansas. Mr. McCabe for a number of years has been active in field work in Arkansas and Louisiana for Geo. L. Meyers & Co., general agents at Memphis. He is active and energetic and very popular with the agents, and Smith & Cochran are particularly fortunate in securing his services to represent their interests in that State.

THE PACIFIC COAST.

—Carstens & Earles, Inc., of Seattle have been appointed general agents for the Pacific Northwest of the Union Fire of Buffalo. Mr. Carstens of this agency is president of the Washington Fire.

—The death of John W. Black, secretary of the Washington Fire Insurance Company from its organization until his illness proved fatal, occurred in Seattle on June 27. Mr. Black was attacked two years ago with what proved to be cancer, and, after a courageous struggle, was forced to succumb.

—The saw and shingle mill plant of the Cascade Lumber & Shingle Company of Snohomish, Wash., was destroyed by fire on June 28, with practically a total

loss. This was an excellently built and successful mill. The insurance was carried largely by the Lumbermens Indemnity Exchange, an inter-insurance organization of Seattle.

MISCELLANEOUS FIRE NEWS.

Reports of Fire Insurance Companies.

The second annual number of the valuable and comprehensive book bearing the above title has been issued by The Spectator Company. It embraces detailed reports upon about 850 American and foreign fire and marine insurance companies, as of December 31, 1906, which are divided into groups as follows:

American stock fire and marine insurance companies (licensed); foreign fire and marine insurance companies (licensed in the United States); American mutual fire and marine insurance companies, underwriters agencies; Lloyds and reciprocal underwriters associations; unlicensed American fire insurance companies; unlicensed foreign fire insurance companies.

In addition to the fire and marine companies indicated above, the 1907 volume of "Reports of Fire Insurance Companies" contains statistics of 204 casualty and miscellaneous insurance companies transacting the following branches of insurance:

Personal accident; automobile liability; automobile bail bonds; bicycle theft; bank deposit; bicycle accident; burglary; common carriers liability; credit; druggists liability; dentists liability; elevator; employers liability; fidelity; fly-wheel; general liability; hail; health; investment; income; key registry; landlords liability; live stock; machinery breakage; mortgage guarantee; patent; plate glass; physicians liability; public liability; plumbing and water leakage; railway instalment; registered mail; surety; steam boiler; safe; sprinkler leakage; team; title; tobacco growers; workmens wages.

The data concerning each fire and marine company are assembled so that all information relating to any particular company is found by a single reference, and the companies are arranged alphabetically in their respective groups. A complete alphabetical index is also contained in the book.

This publication is a compendium of the various State Insurance Department reports upon fire insurance, and is more than the equivalent of a library of such reports (few of which had been issued when this book was published), for it contains the statements of many companies which are not given in any State reports, but which companies are soliciting business in the United States. It is designed to satisfy the requirements of merchants and manufacturers, who desire to ascertain the standing of the companies in which they hold or are offered policies. It also meets the needs of the many general, special and local agents of fire insurance companies who wish to obtain a copy of some official State insurance report each year, in order to get the detailed statements of the various companies as they have been passed on by a State Insurance Department.

The statistics presented include the financial exhibits, in detail, as of December 31, 1906, with lists of bonds and stocks owned and their respective values; securities for collateral loans; descriptions of real estate and mortgage loans; comparative exhibits for a series of years, of assets, unearned premiums, net surplus, net premiums, total income, losses paid, total expenditures and losses incurred; business since organization; risks and premiums in force; names of officers and directors; lists of field men and territory covered; alterations and capital; contributions to surplus; conflagration losses at Chicago, Boston, Baltimore, San Francisco and elsewhere; remittances of foreign companies, etc.

In brief, the information given in "Reports of Fire Insurance Companies" is well calculated to be of the utmost value to all who buy or sell fire, marine or casualty insurance. It enables the possessor to at once learn the character, importance and degree of reliability of any company whose policy or agency he is likely to be offered, and gives sufficient detail to assist him to form a correct opinion as to such a company.

"Reports of Fire Insurance Companies," presenting reports upon about 1050 insurance institutions and containing 456 pages, is handsomely bound in red cloth and gold, and will be sent, postpaid, to any address in the United States, or any country in the postal union, on receipt of the price, $5.00 per copy.

Purchasers of this book will also find it helpful to subscribe for the monthly "Supplement to Reports of Fire Insurance Companies," which keeps the information in the book up to date, and supplies data concerning new companies, etc., subscribers thus being kept in touch with fire insurance developments throughout the year. The price of the Supplement (eleven monthly issues) is $2.00 per year, and a suitable binder may be obtained for $1.00. Liberal discounts will be quoted for quantity orders on copies of the book designed for distribution by companies among their agents, or by agents among their customers. Address The Spectator Company, 135 William street, New York.

"Hall on Insurance Adjustments."

The above is the title of a compact and systematically arranged book, by Thrasher Hall, published by the Rough Notes Company, relating to the adjustments of fire losses in cases in which there has been no breach of the policy conditions prior to the fire. It summarizes the opinions of the courts of last resort upon points as to which disputes have arisen, and are likely to arise in future, citing many hundreds of cases which may be referred to when the full decisions are desired. A few of the matters interpreted are: Direct loss; cash value; option of insurer to take insured property; option to repair or rebuild; fraud and false swearing; duty to protect property; fall of building; explosion; loss by ordinance regulating repairs; notice of loss; proofs of loss required; magistrate's certificate; examination under oath; production of papers, etc.; arbitration and appraisal; other insurance. There are also explanations of apportionment of non-concurrent and compound policies; definitions; illustrations of erroneous adjustments; hypothetical statements of loss and method of showing profits; depreciation in relation to profits; sample accounts; an accurate method of apportionment; suggestions as to the treatment of fraud losses; tables of weights, measures, etc. The book contains 160 pages, is handsomely bound in black, flexible leather, and may be procured through The Spectator Company, 135 William street, New York, at $2 per copy.

Proposed Legislation.

Georgia.—A resolution has been prepared for introduction in the House, of which the following is a part: "Whereas, Much care should be taken to get a conservative as well as an exhaustive hearing from all parties at interest on the subject (insurance), and believing that this end could not be obtained with good results by hastily passing any insurance laws at this session of the General Assembly, be it therefore resolved, by the House, the Senate concurring: First—That the Governor be and is hereby empowered to appoint five representative citizens of this State, to be known as a bureau of insurance legislative information, whose duty it shall be to investigate the need of such legislation by this State, and to submit such laws to the next session of the legislature as in their opinion may be wise and just; convening at such times and places as a majority of them may determine, giving a hearing to representatives of any and all companies now doing or who may choose to do business in this State, and to any private citizen who may desire to come before them in the interest of insurance legislation. A bill has been introduced in the House to regulate the business of mutual, co-operative and assessment fire insurance companies, and to require them to deposit securities for the protection of policyholders.

Massachusetts.—The bill for the codification of the insurance laws has passed the Senate and House. There will not be any more insurance legislation at the present session.

Wisconsin.—The Governor has signed the resident agent bill.

—Commissioner James V. Barry of Michigan has accepted an invitation to speak before the National Association of Local Fire Insurance Agents at the Richmond convention, September 25-27. His topic will be "The Relation of the State to Fire Insurance."

Casualty, Surety and Miscellaneous

Bankers Associations and Fidelity and Burglary Insurance.

[To the Editor of The Spectator.]

We note under the head of "Surety Notes" in the June 27th issue of The Spectator that the Iowa Bankers Association has decided to place its fidelity bonds and burglary insurance with the National Surety Company.

The Ocean Accident Corporation and the National Surety formerly made contracts with the Missouri Bankers Association for the handling of its business of their members, but since this is in violation of the Missouri law they have recently made their contracts through the secretary of the association—thus depriving insurance agents of business they would otherwise secure.

All publications in the interest of bankers print articles continually harping on the unfair practice of the express companies being permitted to do a banking business, and as the bankers are guilty of a similar offense against the insurance agents in all States, we believe The Spectator is in a position to render a very great service to the insurance fraternity by devoting some of its valuable space to this subject.

We are arranging to take this matter up with the insurance agents of

the State of Missouri, and have had considerable correspondence with the Insurance Department of this State with a view to having the association comply with the law both in letter and spirit. If it is wrong for express companies to do a bankiug business, the bankers cannot very well contend that it is right for them to do an insurance business.

St. Louis, Mo., July 3. FIDELITY

International Association of Accident Underwriters.

The twentieth aunual convention of the International Association of Accident Underwriters began on July 9 and will end to-morrow. The wisdom of the committee in choosing as a meeting plaee the Hotel Frontenac, Thousand Islands, New York, is amply proven by the many reports of the thoroughly enjoyable experiences of the delegates in attendance. While, up to the time of writiug, the number of delegates present is not so large as in some former years, the attendance is good and shows a persistent interest in the work of the association. The attitude of the assemblage is more thau ever before toward serious work and a determination to solve at this convention some of the many problems which are receiving serious thought among progressive accident and health underwriters. The association is in a highly prosperous condition, so much so, that a reduction in the rate of annual dues is under consideration. As might be expected, the subject of the presidency of the association is occupying the attention of the convention and it was hoped that H. G. B. Alexander, the present incumbent, would again accept the office of chief executive. This, however, he has been compelled to decline owing to increasing business obligations, much to the regret of a large following which had looked forward to the pleasure of reelecting him to the presidency. As successor to Mr. Alexander, Walter C. Faxon, vice-president of the Ætna Life, becomes a prominent figure amoug the possible candidates.

The place of meeting was wisely selected, for the attraction of the St. Lawrence river aud the Thousand Islands are so great that, independent of the interest attaching to the convention, a large attendanee is assured. When business is disposed of, the many attractions of this lovely spot will receive due attention.

The following are extracts from the address of the president, H. B. G. Alexander.

THE PRESIDENT'S ADDRESS.

Gentlemen of the Convention:

From the faet that duriug the past year the sum of $25,711,188 was collected in premiums by ninety-four companies and associations engaged in the business of accident and health insurance in the United States it may be assumed that, as accideut and health uuderwriters, we assemble here at a propitious season and in a contented frame of mind. This premium collection represents an increase over that of the preceding year of $2,783,795.

While these figures indicate a substantial growth, they are nevertheless insignificant when compared with the premium incomes in certain other branches of insurance; and maiutaining, as I do, that the relative importance to the insurer is by no means indicated by the ratios shown by aggregate premium incomes, it becomes evident that accident and health underwriters are derelict in their duty to the public in that they have devoted too scant attention to the insurance of the uninsured. If we are to grow, we must have the confidence of the insuring public. Happily today we enjoy the confidence of that infinitesimal portion of the public represented by this twenty-five millions of premium income, but it will be freely admitted, I believe, that clairvoyant powers are not required to discern a serious menace to that presently enjoyed trust in the careless manner in which we liberalize our policy contracts aud make promises the ultimate cost of which we can have no means of knowing. The retention of public confidence if possible only through the exereise, in our claim adjustments, of a liberality equal to that with which we incorporate new features in our policies. We have but recently been treated to a unique experience in the declaration, by one of the most eminent of our State insurance officials, that our contraets of accident insurance have overstepped the bounds of munificence prescribed for us, aud the elimination of the feature in question was ordered. Fortunately no startlingly liberal new features have made their appearances in our contracts of insurance during the past twelve months, and we may therefore rest undisturbed for a time at least and indulge the hope that at last accident underwriters are turniug their taleuts to the building up of selling forces rather than to the invention of selling features.

The before-mentioned increase in premium income during the year 1906 was composed of $1,902,167 accident premiums, and $881,628 health premiums, or a gain of 9.57 per cent accident and 28.8 per cent health. What has been facetiously termed our "health insurance infant" is, therefore, making rapid progress, and with a parent's natural solieitude for an offspring's welfare, we should most carefully guard it from the pitfalls which surround it, to the end that it may become a "thing of beauty and a joy forever." We are to be congratulated in that our contracts of health insurance have, up to the present time, fortunately escaped such unnecessary features as have insidiously and seemingly permanently fastened themselves upon accident policies, but culpable negligence at this critical stage may be attended by most serious and long harassing consequenees. Empirical knowledge is slow of attainment, and uot onc of us is so experienced in health insurauce that the knowledge secured by others iu that brauch of our endeavor may be safely disregarded. Three years ago this association undertook what has proven to be a task of almost immense proportions, but, as must be evident to everyone who has carefully studied and analyzed the results thus far secured, a task which, from every standpoint, will many times repay, in vital knowledge eoncerning health insurance, the time and money expended upon it by this association aud by its individual members. We cannot, therefore, too strongly urge that continued attention and a reuewed impetus be given to the compilatiou and tabulation of health insurance statistics.

We had scarcely been afforded an opportuuity of congratulating ourselves upon what we fondly hoped was a satisfactory disposition of a question which has had a place in our deliberations for a number of years, viz., the construction of a policy of accident insurance which would relieve us of a liability uuder the statute of the State of Missouri manifestly intended to apply only to policies of life insurance, when we found ourselves precipitated, to make use of a trite colloquialism, "out of the frying-pan iuto the fire." The reversal by the United States Supreme Court of the verdict of the Circuit Court of Appeals in the now famous Whitfield case leaves us, were such a condition possible, in a sorrier plight than before. The repeal, which we were partly promised on the floor of our convention a year ago of the statute iu question, was not forthcoming at the last session of the Missouri Legislature. Such wide-spread attention has been given to this case that the fear may be well entertained that the State of Missouri will become the Mecca of suicides who have previously well supplied themselves with policies of accident insurance. This important question has undoubtedly been given serious cousideration by all of you during the past sixty days, and while our past experience has shown us that a diversity of opinion may be expected, it is to be hoped that the underwriters here assembled may unite upon a plan of action which will produce an ultimate and as speedy as possible relief from the threatened danger.

No attempt has been made by the association during the past year to inaugurate reforms of any kind for the reason, as we have repeatedly assured ourselves, that there is uo present demand for reform. It will be reealled, however, that at Muskoka, in 1905, President Edsou S. Lott sounded the key-note of reform when he spoke at some length upon the question of commissions paid to agents. The agent is assuredly worthy of his hire, but there is a possibility that in our hunger for business and in our anxiety to outdo our competitor we have gone beyond the limits of prudence and have lost sight of the fact that from year to year we have enlarged the scope of our policy contracts, making them vastly more attractive to the insuriug public, have liberalized our claim settlements, and have advertised the business of health and accident insurance in every city, town and hamlet in the country; and yet we have increased our commissions to agents to such an extent that we are today payiug to our selliug forces a greater percentage of every dollar of premium than is paid in any other branch of the business, or, indeed, in almost any line of human endeavor in which salesmanship is a faetor. The inquiry quite uaturally propounds itself, "Is it time to call a halt?" No action which individual members of the association might take could become effective as regards contracts now existing, but inasmuch as hundreds of new agency appoiutments are made every day by the members of this association, it would appear that a reduction in commissions and the establishment of a maximum is iu order, and which maximum should be commensurate with the greater opportuuity afforded agents of today and the greater ease with which policies of aecident and health insurance are sold.

The program which has been prepared for your consideration is one which merits the careful aud undivided attention of each and every one of us. The various subjects will be handled by master hands, and there is not one of them but which is of vast importance to the business in which we are engaged. It is hoped aud expected that the discussions which will follow the addresses will be free, frank and complete to the end that new light may be shed upon subjects which, without doubt, will in the near future demand of each of us the careful consideration we give to policies affecting the business with which we are individually connected. Of special importance is the question of the preparation and adoption of a standard policy, a question which will be dealt with at length in the address of our former president, Mr. Wm. Bro. Smith, than whom no one is better qualified or equipped to present it in all its various phases. There has been noted a growing tendency on the part of our legislatures to standardize policies of insurance in other branches, and we may but "take time by the forelock," and likewise safeguard our own interests by anticipating similar action with respect to contracts of casualty insurance. No more auspicious time than the present could be desired for the adoption of a standard policy. Our field forees quite generally have heeded the inculcations which have emanated from these conventions, and now abide in peace and harmony, each respecting the rights of auother, applyiug all effort and euergy against the ranks of the uninsured, and, most salient point of all, undeniably have wearied of and now inveigh against the frequent and uncalled for changing of policy forms, with the attendant loss of time occasioned by the necessity of each year rewriting their busiuess without conferring upon the insured any substantial or tangible benefit.

At previous conveutions some attempt has been made to more actively enlist the claim departments of various members of the association in its work, but these attenpts have, regrettably, met with but small success. Accident and health insurance may be best popularized by liberal and prompt payments of losses. We seem, however, to have fallen into the very natural error of devoting our best thought to the incorporation in our policies of what we are pleased to term "selling features" and "talking points," and have but little reckoned the cost, not alone in indemnity payments but more especially in the sacrifice of pulie confidence and good-will, which has followed, and inevitably must follow, the efforts of our claim departments to limit their disburstments to a figure which may be regarded as a reasonable one. We have numerous reasons to believe that this association would beeome a more powerful factor for good by the creation of an inner organization having to do particularly with the adjustment of claims, and a perusal of the program

before us will show that as a first step in this direction there has been incorporated thereiu a number of addresses by representatives of claim departments, and a uumber of the companies are, for the first time in our history, represented here by officials whose particular busiuess is the adjustment of losses. It is hoped that a subsidiary organization of such representatives may be perfected ere this convention adjourns, and that at this, as well as at its future assemblages, the associatiou may eujoy and profit by the wisdom and counsel of those to whom we entrust the disbursement of by far the greater part of our receipts.

Probably our best friends are those who criticise us,—justly. During the past eighteen months our friends the iusurance journalists have been called upou to defeud insurance,—the principle of insurauce,— from the rabid attacks of yellow-journalism, and it is indeed a pleasure to kuow that in no case was one found wauting. While the district business with which this association has to do was far removed from the recent turmoil, nevertheless the priuciple upou which our business also is founded, —that of protection,—was certainly involved, so that we, too, are grateful to know that the sensationalism of the daily press was forced to give way to the sane and sound arguments of our journalists, and we are glad that they are with us and for us, and doubly glad to know that should occasion arise criticism, that of the insurance jouruals will iu the future be as it has ever been in the past, just and true.

For the second consecutive year death has invaded our ranks and has taken from us oue whose presence at former conventions added not inconsiderably to our interest therein not only in a business way but socially as well,—our friend Lauris J. Page of Bostou, Massachusetts. At no time taking a prominent part in couveution proceedings, he was nevertheless always found upon the side of right and we shall miss here his unobtrusive influence and his uniform geniality.

And now if I may be permitted to speak for a moment in a purely personal vein, I want to say how much pleasure it gives me to welcome here so many of my old personal friends and so mauy others whom I hope to add to that list. I have always felt that this association of accident underwriters, ouside of its formal and professional meetings, amply justified its existence by the acquaintances and friendships it developed among men engaged in the same line of work and with similar interests. I have learned to look forward to these meetings not only as an opportunity to further our common business interests but also as an opportunity to meet many who had become dear to me as personal friends as well as many others whom I hoped would become so. Hence, having welcomed you formally I want to welcome you personally, and to the welcome of the president of this meeting I want to add the most sincere welcome and greeting of H. G. B. Alexander.

The report of Secretary E. G. Robinson showed that duriug the past year there were three resignations—The Brotherhood Accident Association of Boston, National Accident Society of New York and the New York Casualty Company of Buffalo. Three companies have applied for admission—the Federal Casualty of Detroit, Norwich and London, the United States branch of which is located in Boston, and the General Accident of Cauada, thus making the present membership fifty-six companies, an iucrease of thirty-eight since 1902. The companies forming the association had a combined income in 1906 of over $45,000,000, policy holders' surplus of $35,000,000 and admitted assets of $200,000,000.

The address of William Bro Smith on standard policy forms was listened to with much interest. This address took the place of a formal report on standard policy forms by the committee appointed to consider this subject, it having been decided that this was the best manner in which to lay the matter before the convention. Mr. Bro Smith pointed out that while the idea of having policy forms prescribed by law emanates from a siucere desire to protect the insured against fraudulent practices, the plan places a distinct check upon development and betterment of contracts. Iu proof of this he cites the obsolete nature of many of the provisions in the present standard fire policies and asks what the development of the life insurance contract would have amouuted to had State Legislatures, thirty years ago, prescribed forms which were in keeping with the restricted ideas of life insurance underwriting at that time.

The executive committee, which had in hand the matter of legislation, reported that among the forty legislatures in session this year, the most noticeable tendencies were towards increased deposits, prohibition of removal of suits to federal courts and making suicide no defense under accident policies. The committee has been active iu seeking to correct obnoxious legislation wherever offered.

The committee on uuiform classification reports that no action has arisen during the past year which necessitates a change in the manual and classification of risks.

Horace B. Meininger, secretary and general manager of the Commercial Mutual Accident; Ralph Marden, superintendent of agencies of the Great Eastern; William L. Mooney, assistant agency manager of the Philadelphia Casualty; Jay P. McDermott, special agent of the Travelers at Fond du Lac, and John J. Kennedy of the Commercial Mutual Accident, all delivered excellent addresses on the subject "False Arguments on Accident Insurance."

To-day addresses will be delivered by Insurance Commissioner Barry of Michigan; William Bro Smith, counsel for the Travelers; Chester N. Farr, Jr., counsel for the Commercial Mutual Accident; F. J. Canty, chief of the claim department of the London Guarantee and Accident. Discussion of the papers read will also take up a portion of to-day's sessiou. To-morrow morning, Vice-President Faxon of the Ætna Life will deliver an address on "Missouri Suicide Law," and the convention will be closed with reports of the Bureau of Information and the nominating committee aud the election of officers.

The Adjuster's Manual.

C. H. Harbaugh, M. D., medical director of the American Assurance Company of Philadelphia, has published from the press of The Spectator Company of New York the "Adjuster's Manual for the Settlement of Accident and Health Claims." Dr. Harbaugh is an eminent authority on health and accident claims and his book will be read with interest by those having adjustments to make. The price of the Adjusters Manual is $2.—The Western Underwriter.

Casualty Notes.

—The Great Eastern Casualty and Iudemnity Company of New York has eutered Nebraska.

—The Colonial Casualty of Huntington, W. Va., has increased its capital from $100,000 to $150,000.

—The Chicago representation of the Norwich and London Accident has gone to A. J. Ullman & Co.

—The New Amsterdam Casualty has eutered Arkansas and appointed W. J. Little of Hot Springs State agent.

—The United American Life of Wilmington, Del., has been licensed to write accident and health lines iu Connecticut.

—The Philadelphia Casualty Company has reinsured its steam boiler business in the Hartford Steam Boiler Inspection and Insurance Company of Hartford.

—Thomas E. Hanlon has been appointed general agent of the Employers Liability for Southern Ohio, Eastern Kentucky, West Virginia and Tennessee, with headquarters in Cincinnati.

—The Merchants Transportation Insurauce Underwriters has been organized in Chicago to insure the safe delivery of packages sent by mail. Headquarters are in the National Life building, Chicago.

—The Nassau Casualty Company of New York is under the eye of the Attorney-General, whose attention has been called to this company by several complaints filed by Brooklyn residents. The company issues a cleverly worded contract which purports to be a teams liability policy.

—Great Eastern Casualty was offered a considerable amount of iusurance by the Shriners of Readiug, but declined it on the ground of excessive hazard. Two of its risks who were previously insured were killed in the wreck iu Califoruia, and both losses were paid in full on the day proofs of death were received. The insured were Stockton Snyder aud Oliver F. Kauffman.

—The Norwich and Loudon Accident is about to enter Pennsylvania aud Connecticut. It is already admitted to Massachusetts, New York, New Jersey, Illiuois and West Virginia, and Manager Cilley is much pleased with the outlook for the company in the Uuited States. He has gathered around him a corps of competent assistants and will doubtless soon be writiug a satisfactory volume of good business, for that is the only kind he wants.

—On his retirement from the service of the Philadelphia Casualty Company, Samuel W. Appletou, who for several years has been connected with the company as chief accountant and assistant treasurer, and since the death of the former treasurer, David Masters, has been acting treasurer, was presented with a silver loving cup by the employes of the accountants departmeut. The women employes gave Mr. Appleton a pair of gold link cuff buttons. The gifts were a surprise for Mr. Appleton, who was addressed by F. G. Noxsel in behalf of the employes.

Surety Notes.

—Secretary S. H. Shriver of the National Surety has gone to Europe to spend a vacation of two months.

—Chester B. Runyan, paying teller of the Windsor Trust Company of New York, who got away with about $96,000, was bonded by the United States Fidelity and Guaranty of Baltimore for $25,000.

—The Massachusetts Bondiug and Assurance Company of Boston is being organized by T. J. Falvey, formerly Massachusetts manager of the United States Fidelity and Guaranty. The company will have $500,000 and $250,000 surplus.

MORE ABOUT BEST'S REPORTS.

His Report of San Francisco Losses Severely Criticised by Fire Underwriters—Insurance Journals also Denounce it as Misleading and Untrustworthy—Companies Discriminated Against—Best's Life Reports Pronounced Equally Misleading.

[TO THE EDITOR OF THE SPECTATOR.]

In the approaching vacation season perhaps some one will work up sufficient enthusiasm over the mystery enveloping "Best's San Francisco Report" to endeavor to discover the real, hidden meaning of the table appearing in the back part of the pamphlet, and particularly the purpose of the "Percentage of face of policies paid or to be paid," if it has one. To be sure, the table is preceded by an alleged "Explanation of Ratio Used in San Francisco Loss Table," in which it is distinctly and emphatically stated that "this ratio does NOT indicate the percentage of the claims against them paid by each company." As this latter—which is so forcibly disclaimed—is just the information which most people desired, and which probably a majority of those looking at the table would consider they were securing in the ratio column referred to, it was a happy thought on the part of the author to hedge against possible later criticisms by tacking on the quoted disclaimer, after having beaten around the bush in an unsuccessful attempt to tell just what the percentage in question did stand for.

It is difficult to see any justification for a ratio of actual net losses incurred to the face of the policies under which claims were filed. A ratio showing the proportion of the claims filed, or the adjusted losses (after deducting reinsurances), which were actually paid, would mean something and would afford some basis for a comparison of the paying mehods of the respective companies; but the "Best" system seems to make no allowance for partial losses or actual property salvages. Thus, under a $1000 policy a claim for a partial loss—$200— is filed. This is adjusted and paid in full; but the company, in order to conform to the "Best" table, would report $1000 as "face of policy under which claim was made," $200 as the "net loss," and a ratio of 20 per cent as representing the "percentage of face of policies paid or to be paid." It is obvious that the company in this supposititious case could justly state that it paid 100 per cent of the claim against it, even though the ratio of twenty per cent would be, according to the "Explanation," "absolutely reliable." "If the ratio is lower than one might expect there is some good reason for it," we are told. Precisely. The reason is that the ratio is computed upon an entirely wrong basis, if it is designed to indicate, in figures, what is stated in the preceding text in the pamphlet, viz.: the proportion of the actual liability of the companies which was actually paid by them, respectively. Why should it be stated that certain companies paid every claim in full, without even deducting cash discounts, and yet such companies be tagged with ratios indicating to the casual reader, or the average business man, that they settled at ninety-two to ninety-six per cent of their obligations? Correspondingly, why should a company stated in the text to have settled generally at seventy-five per cent (with a few exceptions), be given a ratio of over eighty-two per cent? These irreconcilable differences should have arrested the notice of the compiler, and convinced him that there was something wrong with the method he was pursuing. Perhaps a doubt did arise in his mind; but, if so, it was quickly repressed, for he says: "A moment's consideration will show that this *must* be a fair basis of comparison for all companies which sustained a sufficient number of losses to insure an average experience in adjusting." Possibly, however, the companies marked down from 100 to 92 or 93 may not agree with this occult conclusion, due to "a moment's consideration." It is interesting to note that "a company showing a low ratio on a large number of adjustments simply settled in that way. Its own figures show conclusively and beyond any possibility of controversy that it did not settle as liberally as some other companies showing a higher ratio." This is doubtless consoling to those companies which while classified in the text as having paid all claims in full, without discount, show in the table as falling several points below other companies classified in the same manner, or those stated to have deducted discounts for cash.

After all, we get back to the original question—which seems to have no satisfactory solution—what is the real meaning or purpose, if any, in the "percentage of 'face of policies' paid or to be paid"? Echo answers, "What"? WAVERLY.

New York, June 27.

[TO THE EDITOR OF THE SPECTATOR.]

You have done good service to the fire insurance companies by exposing the inaccuracies and fallacies of "Best's Report on San Francisco Losses." Not only are the facts regarding certain companies misstated in that report, but misleading deductions are made where the facts are accurately given. What the object of the compiler of this publication could be it is difficult to conceive, unless it was to "black list" those companies whose business is not conducted in accordance with his ideas. He has set himself up as the mentor and censor in insurance matters, and pretends to pass judgment upon them in a spirit that plainly says: "I am the source of all insurance knowledge." He is continually asking the companies for reports and information, and when his requests are complied with the data furnished him is not always used fairly in his publications. Why the companies should comply with these requests and furnish clubs to be hammered with I do not understand.

There is one point in "Best's Report" that I have not seen alluded to in the criticisms printed. Some of the companies carried many risks on dwellings that were located wholly outside of the business district. On many of these policies claims were made for partial losses only, and when these figures were included in the percentages as printed in the "Best Report," great injustice was done the companies interested. But that book is so full of inaccuracies that it is scarcely worth while to specify them. Any underwriter of experience will readily detect them. Statistical publications are excellent and even necessary to a proper understanding of the business, but to be of value they should be based on actual facts correctly stated, without prejudice or favoritism. FAIR PLAY.

Philadelphia, June 28.

The Insurance Field, after criticising a report issued by the National Credit Men's Association, has this to say of "Best's Reports of San Francisco Losses":

With the later report published in booklet form by A. M. Best Company of New York we have had and can have no patience. Many of the deductions are unreasonable and the percentages arrived at by an atrocious process are so absurdly false that they represent absolutely nothing. It is said that 250,000 copies of this pamphlet have been sold. We do not doubt it! To those who witnessed the adjustment of the San Francisco losses in all their ramifications these statistical estimates are more than absurd, and there are few who will admit for a moment that the result is an honest expression of what actually took place. Mr. Best's statistical attempt consisted largely in percentages of "net loss to net insurance"—a ratio basis never before attempted to prove anything from and a fallacious process. The percentages so obtained where obviously incorrect are eliminated entirely from these statistics with explanatory footnotes. In a recently published letter an underwriter calls attention to the fact that "on such a basis a company having, say $1,000,000 or more, insurance involved on which it held $900,000 reinsurance which it failed to collect and paid to claimants only ten per cent of their losses, would take the highest rank, as it would have met payments equal to 100 per cent of its net amount at risk." Every company having losses at San Francisco was given a rating in Mr. Best's volume, and although some of the largest and most powerful companies paid millions without a murmur, yet the little rag-tag and bob-tail surplus liners with $1500 and $2000 losses have the best percentages. The fault with Mr. Best's book lies wholly in his attempt to force a classification—the impossible, as we have before pointed out. As for the comments on settlements by companies, it is so manifestly incorrect in known cases as to weaken the good features. The rank and file of companies paid their San Francisco losses bravely, promptly and equitably. The whole system of fire insurance was tested and met this test in a most honorable way. The single fact alone that $60,000,000 or more of new money was thrown into American fire insurance companies last year is ample evidence of the manner in which companies came to the front in order to honorably discharge the full measure of their contract obligations.

Commenting on the "Best Report" The Western Underwriter says:

In the San Francisco publication Mr. Best has attempted to draw conclusions and work out ratios when he did not possess the facts and figures to reach just conclusions. * * * *

So far as San Francisco is concerned it is a past chapter. To

attempt to say that this company paid on too liberal a basis and that one did not is useless conjecture at this time. San Francisco was no criterion as to the character of a company other than its solvency.

Companies were confronted with a sudden, unprecedented and overwhelming disaster. They had not only their obligations in San Francisco, but their responsibility to policyholders elsewhere to consider. Unless a man knew the peculiar conditions surrounding each company, information which neither Mr. Best nor any other person possesses, he could reach no correct conclusion as to whether a company did its duty or not. It is safe to say that with very, very few exceptions every company paid all and no doubt more than it was really obliged to. So far as The Western Underwriter can see, the Best report on San Francisco losses is worthless.

"Best's Life Insurance Reports."

[To the Editor of The Spectator.]

Although "Best's Special Report Upon the San Francisco Losses and Settlements" (which has been criticised of late), is published by the "Alfred M. Best Company," and "Best's Insurance Reports—Life," is published by the "Best Reporting Company," the address of both concerns is given as 100 William street, New York city, and it would appear that both publications are issued under the same control. "Best's Insurance Reports—Life" is also open to criticism for the manner in which it "knocks" companies which it admits are solvent, based upon sound actuarial methods, and offering fair, even liberal, policy contracts. I have in mind one company in particular which is admittedly solvent and sound, and which deposits all policy reserves with its State Insurance Department, and whose earned surplus in 1905 amounted to more than ten per cent of renewal premiums. Nevertheless, this company is charged (by implication, at least) with incorrectly computing its reserves, and with incurring extravagant and excessive expenses in getting new business. Perhaps the State Insurance Department should employ the Best Reporting Company to value policies, and the life insurance company might well arrange with the Reporting Company to run its business for it, upon a more economical basis. Possibly, however, there might be no business to run after a few years. Some of the wisest heads in the life insurance world have deemed new business worth all it costs (within reasonable limits), and the great saving in mortality in the early policy years gives plenty of leeway for a reasonably high initial expense, which latter competition has made a necessity.

In the course of the report upon this particular company, it is stated that various kinds of information were asked for, "but the request was not complied with." It might be that the criticisms are in the nature of punishment for neglecting to respond to the voluminous questions asked by the publishers. It hardly seems fair, however, to criticise minor points of management, in a way which might dissuade prospects (if they happened to see the report, or had it brought to their attention by competing agents) from taking policies which the publishers themselves concede to be fair, liberal and safely protected. If there is anything unsound in the plans or administration of a company, for which it deserves harsh comment, well and good; strike at it and hit it hard, for the good of the business; but what is to be gained by hitting a company which has been doing business honestly for twenty or twenty-five years, is financially and actuarially sound and is dealing fairly with policyholders? No service is rendered to insurance buyers, or to life insurance as a whole, by such tactics. The principal market for such misleading reports would naturally be among such agents as are willing to vilify every company other than the ones they respectively represent—or misrepresent.

When life insurance companies receive requests for information from the "Best Reporting Company" they are apparently given the option of accepting either horn of the dilemma—they may furnish the information and risk a hypercritical report, based upon the data sent, or they may refuse or neglect to supply the information and take a chance upon the class of report which will be given them, being reasonably certain, however, that the report will include, one or more times, the suggestive notation. "request was not complied with." In the ultimate analysis, however, it probably does not matter much either way.

Doubtless, fire insurance companies which have helped to support "Best's Insurance Reports—Fire, Marine and Miscellaneous," have, some of them, felt the pangs of regret since the publication of the San Francisco loss report, because of alleged unfair treatment; will life insurance companies in future suffer in a similar way?

New York, July 6. Life Insurance Reader.

METHODS OF DIVIDEND CALCULATION

(Continued from The Spectator of July 4, 1907.)

In submitting the dividend schedules to the insurance departments the companies are required to attach an explanation showing precise methods by which dividends were calculated. The following pages contain the explanations filed by the several companies, covering both annual and deferred dividends.

NEW YORK LIFE INSURANCE COMPANY.

The company's general rule of apportionment of annual dividends is, and for several years past has been the following:

A. Premium paying policies issued before the year 1899 share in the following proportions

(a) Other than limited payment life,—If two years in force, in the proportion of 1⅝ times the annual premium, the proportion increasing ⅛ each year. (b) Limited payment life policies share within their premium-paying period on the basis of the proportions specified under (a) of the Ordinary Life premium.

B. Premium paying policies issued in the year 1899 and thereafter share in the following proportions:

(a) Other than limited payment life,—If one year in force, in the proportion of the annual premium; if two years in force, in the proportion of 1⅙ times the annual premium, the proportion increasing ⅙ each year. (b) Limited payment life policies share within their premium paying period on the basis of the proportions specified under (a) of Ordinary life premiums.

For the dividends payable at the anniversary of premium paying policies, in 1906, the percentage applied to the above specified functions of the premium was 6¾. For example: An Annual Dividend Ordinary Life policy of $1000, issued in 1905 at age 25, with an annual premium payable of $21.40 and being one year in force, received a dividend of $1.45, being 6¾% of the premium; a similar policy issued in 1904, and being two years in force, received a dividend of $1.69, being 6¾% of 1⅙ times the premium, *i.e.*, 7875% of the premium. In cases where, according to such calculation, the dividend on the same policy at the anniversary in 1906 would be less than the dividend which was payable at the anniversary in 1905 plus $.05 per $1000 of insurance, the sum of the dividend of 1905 and $.05 per $1000 was declared as the dividend for 1906; for example upon an Annual Dividend Ordinary Life policy of $1000 issued in 1890, at the age of 35, with an annual premium of $26.38, the dividend declared payable at the anniversary in 1905 was $6.03, and the dividend declared payable at the anniversary in 1906 was $6.08, whereas the dividend on the basis of 6¾% of 3⅜ times the annual premium of $26.38 would be equal to only $6.01.

Limited payment policies which had become paid-up in full received a dividend in 1906 equal to one half of one per cent of the Actuaries' 4% net single premium—for the insurance—at the 1905 anniversary of the policy (the nearest multiple of five cents being used).

PENN MUTUAL LIFE INSURANCE COMPANY.

Annual Dividends.—For dividend purposes the company's business is divided in the following sections:

"A" Policies issued prior to May 1, 1896, on which the company holds a reserve based on Actuaries' 4%.

"B" Policies issued between May 1, 1896, and May 1, 1902, on which the company holds a reserve based on Actuaries' 3½%.

"C" Policies issued since May 1, 1902, on which the company holds a reserve based on American 3%.

The method used in calculating annual dividends is to form the dividend by the three factors of mortality, interest and loading; the excess interest is calculated on the initial reserve value of the policy and this forms the first portion of the dividend; the margin in the mortality cost is computed as a percentage of the cost of insurance and forms the second part of the dividend. As regards the loading element, we figure the expense rate and take this amount as a percentage from the gross premium, and from the balance remaining we deduct the net premium, and the remainder is taken as the balance of loading, and a year's interest is added to it, and this final amount is the third factor in the dividend.

In the business on which a reserve at Actuaries' 3½% is held there was a variation from this method in regard to the loading element. It was found impossible to use the above described method, and accordingly certain percentages of the gross premium were taken as the balance of loading, the idea being to make the dividends run along in somewhat the same manner as the dividends on the old 4% business, on which the same rate of gross premium was charged as on the business on which the reserve at Actuaries' 3½% was held.

Under annual dividend policies the first dividend is declared at the end of the first year and is available in reduction of the second year's premium.

In determining the different factors used in calculating the dividends, careful examination was made of the condition of the company and of the sources from which the surplus was derived with a view to giving to each policyholder an equitable share in accordance with his contribution thereto.

Deferred Dividends.—On 20-year deferred dividend period contracts the same annual dividend was credited to each policy as if it had been on the annual dividend form, and these dividends have been accumulated at 4%. The dividends on policies discontinued during the period were brought up with 4% compound interest to the end of the deferred dividend period, and were then divided into two sections.

The first section represented the accumulated amount of dividends which fell in from other causes than death. This amount was divided in proportion to the amount of the individual accumulations on the policies in force, taken for

convenience of calculation on the total individual accumulations one year prior to maturity.

The second section represents the accumulated dividends which had fallen in through deaths during the period, which were divided up amongst the existing policies in the form of a percentage of the individual accumulations; the percentage depending on the age of the insured member, and being determined as follows:

The number living at the expiration of the 20 years according to the American table was divided into the number who died during the period measured by the table, but with the rate of mortality modified to 70%, which represents fairly accurately the company's experience. A percentage of this ratio was taken sufficient to divide the total dividends falling into the class by death. The result was finally to give an addition (representing all kinds of fallen dividends) to the accumulation of individual dividends of the following percentages according to ages at issue.

Age 25	31.8%
Age 35	36.4%
Age 45	52.6%
Age 51	80.2%

Example of policy for $1000 issued in 1886 at age of 45, ordinary life with deferred dividend period of 20 years:

Dividends with 4% compound interest (including 1905 div.)	$240.06
52 6-10% of above, representing share of fallen dividends	126.27
	$366.33
Interest at 4%	14.65
1906 Dividend	10.07
Total accumulated dividends	$391.05

Under 15-year deferred dividend period policies the same method was adopted except that in determining the amount of fallen dividends we took a proportion of the fallen dividends on all deferred dividend policies issued in the year 1891; the proportion applicable to the 15-year class representing the same ratio as that borne by the individual accumulations on the 15-year deferred dividend policies to the total amount of individual accumulations represented by the deferred dividend period contracts of year of issue (1891) with a 15-year or longer deferred dividend period; the balance of the fallen dividends being carried forward to be distributed amongst the 20-year, etc., deferred dividend period contracts. The resulting percentages of increase to the dividend accumulations at 4% on an individual policy were as follows:

Age 25	14.93%
Age 35	16.53%
Age 45	22.03%
Age 55	41.93%

Under 10-year deferred dividend period contracts, the method used for these contracts was similar to the method used in the 15-year period distribution, only varying in one detail. The proportion of the dividends falling in by death was represented by accumulating the annual dividends by the factor $\frac{l_x}{l_{x+1}}$ with the mortality element taken at 70% of the tabular, and to this factor was added .04 for interest, giving the total factor used for accumulating the dividends. To these accumulations of dividends was added the percentage representing the dividends fallen in from other causes than death; the percentage used in this schedule being 8%. The mortality element had shown such fluctuation that it was deemed advisable to adopt this method of dividing up the dividends which had fallen in by death.

After all the issues of a calendar year of deferred dividend contracts have completed their deferred dividend periods, the company would have returned all the dividends allotted to the class, together with interest accumulations, the dividend credits each year being the same in amount as under annual dividend contracts, and these credits accumulating at 4% compound interest.

THE PRUDENTIAL INSURANCE COMPANY.

Annual Dividends.—The debit and credit account is kept for each calendar year, as follows: Policies are credited by calendar years of issue with premiums paid and with interest earned on reserves. They are debited with death and endowment claims incurred, matured surrender values, dividends declared, increase in policy reserves, and with expenses incurred. Of the above items, interest claims, surrender values, dividends and increase in reserves can be ascertained accurately. Premiums and expenses are apportioned to a close degree of approximation. A comparison of the total debits and credits shows the surplus accrued for the calendar year by calendar years of issue. The surplus for each calendar year of issue is ascertained as to the various kinds of policies belonging in that year and again subdivided as to age groups and interpolated as to individual ages.

The above analysis of accrued surplus is not completed for any calendar year until nearly the middle of the following year. Therefore, about the first of October, an analysis of the approximate surplus for nine months of the current year is made, and about the first of December a similar analysis for eleven months is made. These approximate analyses together with the more complete analyses for previous years are made the basis of the dividends declared for the succeeding year.

Deferred Dividends.—See Annual Dividends down to "by calendar years of issue." During the calendar year preceding the year in which the deferred dividend surplus matures the accrued surplus is apportioned among the various kinds of policies in the group and again subdivided into age groups and interpolated into individual ages.

This analysis is not completed until nearly the middle of the year. About the first of October an analysis of the approximate surplus for nine months of the current year is made, and at the first of December a similar analysis for eleven months is made. These approximate analyses together with the more complete analysis for the previous years of the dividend period are made the basis of the dividends declared for the entire dividend period and payable in the succeeding year.

In the group of fifteen-year dividend policies, for example, at the time the dividends are declared we have a complete analysis of the experience of the group for fourteen calendar years; that is, for thirteen and a half policy years on an average. We have also an approximate analysis for eleven months of the fifteenth calendar year, or, in all, nearly fourteen and a half policy years on an average. The additional surplus for the uncompleted fraction of the dividend period is necessarily a matter of estimate, being based upon the experience of the years immediately preceding.

STATE MUTUAL LIFE ASSURANCE COMPANY.

For more than twenty-five years dividends in this company have been computed upon what is known as the contribution plan.

For the year 1906 for policies based on the Actuaries' or Combined Experience Mortality Table, 4% interest, the formula for premium paying policies was 85-100 of 1% of initial reserve, plus 25% of normal cost, plus 13½% loading, the computations being based on the schedule of premiums in use just prior to January 1, 1896, and when premiums vary from that schedule the dividends computed from the schedule were increased or decreased as the loadings were greater or less than those of the schedule.

For policies based on the American Experience Mortality Table 3½% interest, the formula for premium paying policies was 1% of the initial reserve plus 10% normal cost, plus that portion of the loading in excess of twenty per cent of the ordinary life premium, and fifteen per cent of the excess of premium over the ordinary life premium, such excess of loading being improved at interest.

On paid-up policies the formula was for policies based on the Actuaries' or Combined Experience Mortality Table 4% interest, ⅞ of 1% initial reserve, and on policies based on the American Experience Mortality Table 3½% interest 9-10 of 1% initial reserve.

UNION CENTRAL LIFE INSURANCE COMPANY.

Annual Dividends.—Each dividend consists of three separate contributions calculated individually and added together as follows:

Contribution from interest:— 4% basis— 1% of initial reserve.
Contribution from interest:—3½% basis—1½% of initial reserve.
Contribution from mortality:—35% of tabular cost of insurance.
Contribution from loading:—Total loading, less an expense charge of $2.00 per $1000 plus a percentage of the gross premium as per schedule:

NUMBER OF DIVIDENDS.

Kind of Policy.	1	2	3	4	5	6	7	8	9 and subsequent.
Ordinary Life....	18%	17%	16%	15%	14%	13%	12%	11%	10%
20-Payment Life..	16	15	14	13	12	11	10	10	10
20-Yr. Endow'mt.	14	13	12	11	10	10	10	10	10

UNION MUTUAL LIFE INSURANCE COMPANY.

Annual Dividends.—The apportionment of the dividend declared and made payable in 1906 on those policies entitled to an annual dividend was made by applying 12¾% of the office annual premium and ¼ of 1% of the 1906 terminal reserve upon the policy.

UNITED STATES LIFE INSURANCE COMPANY.

Annual Dividends.—10 per cent of the annual premium.

Method of Calculation of Deferred Dividends.—On 10-year term policies, 5 per cent of premiums paid; on 15-year term policies, 10 per cent of premiums paid; on ordinary life, 20-payment life and 20-year endowment, 20-year dividend policies, 90 per cent of the actual settlements of 1905.

WASHINGTON LIFE INSURANCE COMPANY.

Annual Dividends.—The ordinary "contribution formula" is used, the factors thereof consisting of the excess of an assumed rate of interest above the standard used in computing the net premiums, and an assumed percentage of gain on the loading. The contributions resulting from the use of the formula are multiplied by a percentage which varies for each year of issue; the scale of such percentages beginning at 20% for premium paying policies one year old and reaching 100% for the year 1860. Under paid-up policies the basis is 12% of assumed gain in interest on initial reserve.

Deferred Dividends.—Payable in accordance with the terms under these policies, are fixed by the board of directors in the year that these dividends become payable. For the year 1906, the method authorized by the board of directors accumulated the past annual dividends as pure endowments payable at the end of the deferred dividend period. The annual dividends used were those fixed by the scale of annual dividends for past years. Thus:—For a policy which entered as a 20-year deferred dividend policy in 1886, the annual dividends for all years beginning in 1887 and including 1906 were paid as a pure endowment purchased with these past annual dividends.

The Spectator:

The Spectator, *established in 1868, is a weekly journal devoted to promoting the best interests of trustworthy insurance of all kinds. The subscription price for the United States, Canada and Mexico is Four Dollars per annum, postage prepaid. To all foreign countries in the Postal Union, Five Dollars per annum.*

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NOW it is in Kansas that the spirit of hostility against fire insurance companies is showing itself. On Saturday last, temporary injunctions were granted by Judge A. W. Dana, on the application of Attorney-General F. C. Jackson, restraining practically all of the fire insurance companies operating in the State from using the advisory rates furnished by the Eldridge Rating Bureau. It is sought to have the injunction made permanent. An opportunity is here afforded the fire insurance companies to present an object lesson to the people and legislators of Kansas. It is undoubtedly true that the experience of any individual company, no matter how large it may be nor how extensive its operations, is not so safe a guide in the estimating of adequate premiums for different classes of risks, as is the combined experience of numerous companies. In order, therefore, to offset the added uncertainty of the business which will be due to the inability of the companies to cooperate or to derive their information as to the relative values of risks from a common and well-informed source, suppose each company should add to the premium on each risk it writes in Kansas, such a percentage as it deems necessary to equalize the increased danger of loss on their business, attaching a colored slip to each policy explaining the necessity for the additional charge. This would bring the matter before each policyholder in a very concrete and palpable way, and might be productive of fairer treatment of the companies in future.

AGENTS representing fidelity and burglary insurance companies are having quite a tilt with the various associations of bankers. It appears that some of these associations, especially in the West and South, have arranged to furnish fidelity and burglary insurance to their members at a less cost than they can obtain it directly from the insuring companies. The Insurance Department of Missouri held that the Bankers Association of that State could not do an insurance business, so the secretary was appointed to look after the matter as an individual. He was able to contract with certain companies to furnish him with their policies as he might direct, he thus acting as the agent of the various members of the association. It is presumed that the companies with whom he contracted supplied their policies at low rates, and also that the secretary made a good thing out of it. By this proceeding the bankers associations are robbing the regular agents of the surety companies of the business that legitimately belongs to them. This is a picayune arrangement for such high-toned persons as bankers to be engaged in. Especially is this so in view of the fact that these associations in various States are prosecuting a vigorous campaign against the express companies, that do certain things that the bankers claim belong especially to banks. We have read reports of their meetings, and find that their speakers denounce the express companies for doing a banking business, and clamor for united action on the part of the banks to compel the express companies to abandon it. Where is the particular difference between express companies entrenching upon the prerogatives of the banks, and the banks entering into competition with insurance agents in the insurance field? If the bankers expect the express companies to stick to their legitimate business, they should set them an example by confining themselves to the banking business, and not steal away the livelihood of the insurance agents. Some of the surety companies are so loyal to their agents that they refuse to enter into contracts with any bankers associations or their secretaries, or to cut their rates that some outsider may profit thereby. There is a broad field for all lines of business in these days without any cut-throat practices. Let the shoemaker stick to his last, is a homely saying that fits the bankers association very aptly.

OF the fifty-one life insurance companies that did business in Texas last year, all but about a half dozen have either already ceased writing new business or will soon do so. Some of those that have given notice of their intention to fully withdraw from the State, in consequence of recent legislation, will remain till the close of the year for the purpose of transacting business other than that of writing new policies. While the citizens of that State will be deprived of the privilege of insuring their lives in the old and trustworthy companies, those who have policies in the withdrawing companies will continue to have the protection for which they contracted, as arrangements have been made for the receipt of premiums and the continuance of the policies in force. There will be attempts made to "twist" the policies out of the companies that withdraw into those that remain, but policyholders should refuse to make any exchange of the sort. Their policies are just as good to-day and the companies are just as responsible and trustworthy as they were before the passage of the obnoxious Robertson law, that threatened serious encroachments upon the assets and investments of the companies, to the prejudice of all their policyholders in and out of Texas. The life companies have paid to the State of Texas in taxes, fees, etc., about $200,000 a year, the greater part of which will be lost to the State while the prohibitive law remains in force. The amount of insurance carried upon the lives of 201,876 citizens of Texas last year aggregated $279,848,321, and this amount would, doubtless, have been largely increased this year but for the legislation referred to. In giving notice of

their withdrawal from Texas, the companies have expressed their high opinion of the State and of their desire to continue in business there if possible; but as the Robertson law would play havoc with their investments and subject them to additional taxation, in justice to their policyholders they are forced to close their agencies there. This deprives hundreds of persons of employment, and will force them to look in other directions for their means of living. It is claimed by many that the prohibitive law referred to is unconstitutional, and there is a possibility that its validity will be tested in the courts, but that would take time. Meanwhile the companies would be at a standstill. All of the companies doing business there have expended large sums in establishing their agencies in Texas, their ramifications covering the entire State, all of which will be a loss to them, but the closing of all these agencies will result in a still greater loss to the State. It is unfortunate for the business in general of the country that such crude and undigested legislation should be made the rule of action in any State, to the detriment of itself and of those well-wishers who would honestly contribute to its welfare if permitted to do so. A uniform code of laws governing the insurance business in all the States has been often talked about, and it would seem as though the hostile legislation recently passed in several States might spur on those who have such a thought in mind to concerted and immediate action.

THE experiment, that has been fully authorized in Massachusetts, of selling industrial insurance over the counters of savings banks, thus dispensing with the services of agents and solicitors, will be watched with interest. What is known as the Brandeis plan was enacted into a law, and it is reported that several savings banks have signified their willingness to engage in the business. The insurance accounts and funds are to be kept entirely separate from the funds and accounts of the banks, and it is predicted that the cost of insurance will be greatly reduced. It is well understood that industrial insurance costs more than any other form, for the reason that an army of agents and solicitors has to be maintained by the companies to get the business, collect the premiums, and to keep the insurance in force. The policies issued are for small amounts—generally regarded by those buying it as a burial fund—and the premiums have to be collected weekly in sums ranging from five cents upwards. The poor persons who purchase industrial insurance, especially those of foreign birth, have an intense horror of becoming paupers or receiving pauper burial. Industrial insurance is the outgrowth or modernization of the burial societies of England; but instead of being voluntary associations limited to a few persons, it has been adapted to the wants of the many in a general way. Experience has shown that this class of persons in this country will not apply for insurance voluntarily, so solicitors are employed to make a house-to-house canvass and impress upon the heads of families the benefits to be derived from these small policies, and to collect the weekly premiums. These agents must receive living pay for their services, hence the increased cost. Millions of dollars have been paid out to the beneficiaries under these policies and the horror of a pauper burial thus disposed of. But the services of solicitors have been found to be absolutely necessary to persuade the industrial classes, usually improvident and careless of the future, to take out the insurance they stand so much in need of. In a great number of cases it is the woman of the household who takes the insurance upon the lives of her children, the father being too negligent or heedless to provide it, and the small sum required to pay the premiums is deducted by her from the sum allowed her for household expenses. Those familiar with the business do not believe that this class of persons can be induced to go voluntarily to a savings bank to apply for insurance. The industrial companies have offered special inducements to persons who would take out policies for small amounts and pay the premiums without solicitation, but the result has demonstrated the fact that agents and solicitors are necessary to the successful conduct of the business. Savings banks may induce a few of their more provident depositors to take out policies, but the great mass of those who most need insurance will not be found voluntarily applying for it. This is the general opinion regarding the Massachusetts experiment which goes into effect November 1, and it remains for time to demonstrate whether or not it is correct.

UNDERWRITING AND INVESTMENT PROFITS AND LOSSES OF CASUALTY AND MISCELLANEOUS INSURANCE COMPANIES IN 1906.*

THE general experience in 1906 among the leading companies transacting the various classes of insurance other than life, fire and marine, in the United States, was fairly favorable, as is demonstrated by the accompanying tabulation, derived from statements filed with the Minnesota Insurance Department. Thirty-four out of the forty-two companies listed made underwriting profits on the year's operations, the net profit of all the companies having been $2,158,635 on earned premiums aggregating $52,232,010, or 4.1 per cent. Contrasted with the results of the 1905 business of thirty-eight companies, which showed an underwriting loss of $239,742, on $46,511,632 of premiums (0.5 per cent), the outcome of the 1906 business was very encouraging.

The individual companies had widely varying experiences, ranging from an underwriting loss of $227,217, to a profit of $299,590, with ratio extremes of 170.3 per cent loss (on a small amount of premiums) and 18.9 per cent profit. A credit insurance company had the highest percentage of profit, while among the distinctive classes of companies, the fidelity and surety companies stand highest with an average underwriting profit ratio of 5.1 per cent.

In order to facilitate comparisons, not only between companies, but between different classes of companies, the latter are divided into groups according to the kinds of insurance chiefly transacted by each. The casualty companies made an underwriting gain of 3.2 per cent, the fidelity and surety companies a profit of 5.1 per cent, and the plate glass companies a profit of 4.4 per cent. The aggregate (net) underwriting profit, $2,158,635, plus the net investment income and accretion, $1,647,310, give an amount of $3,805,945 of surplus earned. In addition, the sum of $107,692 (net) was withdrawn from contingent reserves, thus giving $3,913,637 as the sum to be disposed of. Dividends (net, after considering surplus contributions and foreign companies' receipts, etc.),

UNDERWRITING AND INVESTMENT PROFITS AND LOSSES OF CASUALTY AND MISCELLANEOUS INSURANCE COMPANIES IN 1906.

Name and Location of Company.	Premiums Earned in 1906.	Losses and Under-writing Expenses Incurred in 1906.	Under-writing Profit in 1906.	Under-writing Loss in 1906.	Investment Income and Accre-tion in 1906.	‡Surplus Earned in 1906.	†Dividends Incurred in 1906.	Increase (+) or De-crease (—) in Con-tingent Fund in 1906.	Increase (—) or De-crease (+) in Net Surplus in 1906.	Ratio Net Losses Incurred to Prem. Earned in 1906.	Ratio Expenses Incurred to Prem. Earned in 1906.	Ratio Underwrit'g Profit (+) or Loss (-) to Prem.Earn'd
Casualty Companies.	$	$	$	$	$	$	$	$	$	%	%	%
Ætna Life (Accident and Liability Dept.), Hartford	4,184,137	4,035,986	148,151	......	119,736	267,887	50,000	......	+217,887	51.8	44.6	+3.5
Casualty Co. of America, N. Y	1,279,967	1,150,351	129,616	......	—28,907	100,709	......	......	+100,709	36.4	53.4	+10.1
Continental Casualty, Hammond	2,132,962	2,068,263	64,699	......	52,728	117,427	60,000	+50,000	+7,427	47.7	49.2	+3.0
Employers Liability, London	2,540,427	2,369,496	170,931	......	37,236	208,167	—254,176	......	+462,343	52.4	40.8	+6.7
Federal Casualty, Detroit	¶66,534	59,383	7,151	.....	2,573	9,724	7,000	......	+2,724	23.6	65.6	+10.7
Fidelity and Casualty, N. Y	5,622,292	5,578,690	43,602	......	—568	43,034	§620,000	......	§—576,966	43.0	56.2	+.8
Frankfort M., A. & P. G., Frankfort	882,694	867,852	14,842	......	20,581	35,423	17,293	......	+18,130	60.7	37.6	+1.7
General Accident, Perth	942,470	1,036,015	......	93,545	—5,746	—99,291	—90,868	+37,500	—45,923	55.1	54.8	—9.9
Great Eastern Cas. & Ind., N. Y	352,473	346,452	6,021	......	4,472	10,493	8,750	......	+1,743	38.3	59.9	+1.7
London Guar. and Acc., London	1,442,616	1,207,237	235,379	......	23,860	259,239	107,792	......	+151,447	42.5	41.1	+16.3
Maryland Casualty, Baltimore	2,312,589	2,284,989	27,600	......	79,255	106,855	90,000	......	+16,855	51.8	46.9	+1.2
National Casualty, Detroit	416,751	390,520	26,231	......	6,650	32,881	24,000	......	+8,881	35.2	58.5	+6.3
New Amsterdam Casualty, N. Y	629,466	562,883	66,583	......	—13,994	52,589	......	+26,000	+26,589	35.1	54.3	+10.6
North American Acc., Chicago	637,550	590,099	47,451	......	8,808	56,259	a120,000	.....	a—63,741	30.8	61.7	+7.4
Ocean Acci. & Guar., London	1,807,092	1,590,226	216,866	.....	37,443	254,309	183,028	+69,350	+1,931	47.4	40.6	+12.0
Pacific Coast Casualty, San Francisco	192,099	161,749	30,350	......	14,911	45,261	14,000	......	+31,261	42.7	41.5	+15.8
Preferred Accident, N. Y	1,362,065	1,197,691	164,374	......	29,933	194,307	50,000	+1,530	+142,777	32.2	55.7	+12.1
Standard L. and A., Detroit	1,774,413	1,638,647	135,766	......	98,141	233,907	282,500	—100,000	+51,407	45.9	46.4	+7.6
Travelers (Acc. Dept.), Hartford	7,234,166	7,461,383	......	227,217	272,209	44,992	250,000	......	—205,008	58.5	44.6	—3.1
United States Casualty, N. Y	1,164,613	1,310,539	......	145,926	—13,646	—159,572	32,500	—92,072	—100,000	45.4	67.1	—12.5
U. S. Health & Acc., Saginaw	790,472	668,417	122,055	......	12,752	134,807	a134,000	......	+807	47.8	36.7	+15.4
Totals (21 Companies)	37,767,848	36,576,868	*1,190,980	......	*758,427	*1,949,407	*1,705,819	*—7,692	*+251,280	....	....	*+3.2
Fidelity and Surety Companies.												
Ætna Indemnity, Hartford	505,076	615,527	......	110,451	48,177	—62,274	......	......	—62,274	51.6	70.2	—21.8
American Bonding, Baltimore	650,286	750,197	......	99,911	34,107	—65,804	......	......	—65,804	47.7	67.7	—15.4
American Surety, N. Y	1,773,728	1,474,138	299,590	......	125,364	424,954	250,000	......	+174,954	26.7	56.4	+16.9
Bankers Surety, Cleveland	198,926	172,306	26,620	......	11,931	38,551	......	......	+38,551	16.2	70.4	+13.4
Empire Surety, Brooklyn	656,495	653,095	3,400	......	81,824	85,224	b—85,000	......	+170,224	31.4	68.0	+.5
Federal Union Surety, Indianapolis	243,134	242,680	454	......	14,104	14,558	......	......	+14,558	27.9	71.9	+.2
Fidelity and Deposit, Baltimore	1,374,346	1,127,710	246,636	......	153,251	399,887	280,000	......	+119,887	27.9	54.1	+18.0
Guarantee Co. of N. Amer., Montreal	217,205	182,828	34,377	......	35,715	70,092	33,506	......	+36,586	34.1	50.0	+15.8
Illinois Surety, Chicago	62,873	67,751	......	4,878	—7,040	—11,918	c—14,106	......	+2,188	8.4	99.2	—7.6
Metropolitan Surety, Chicago	337,591	315,680	21,911	......	—2,578	19,333	20,000	......	—667	17.0	76.5	+6.5
National Surety, N. Y	1,257,241	1,189,570	67,671	......	22,734	90,405	10,000	—100,000	+180,405	40.8	53.8	+5.4
Pacific Surety, San Francisco	99,983	98,872	1,111	......	3,149	4,260	15,000	......	—10,740	32.5	66.3	+1.1
Title Guar. & Surety, Scranton	538,702	483,871	54,831	......	78,409	133,240	d44,710	......	+88,530	29.4	60.4	+10.2
U. S. Fidelity & Guaranty, Baltimore	2,297,152	2,139,210	157,942	......	79,238	237,180	119,000	......	+118,180	42.2	50.9	+6.9
United Surety, Baltimore	103,110	278,699	......	175,589	129,621	—45,968	......	......	—45,968	18.2	252.1	—170.3
Totals (15 Companies)	10,315,848	9,792,134	*523,714	......	*808,006	*1,331,720	*673,110	—100,000	*+758,610	....	....	*+5.1
Plate Glass Companies.												
Lloyds Plate Glass, N. Y	452,824	413,268	39,556	......	—5,000	34,556	50,000	......	—15,444	36.0	55.2	+8.7
Metropolitan P. G. & Cas., N. Y	511,771	514,553	......	2,782	—18,282	—21,064	20,000	......	—41,064	39.6	60.9	—.5
New Jersey Plate Glass, Newark	227,662	206,110	21,552	......	17,008	38,560	11,000	......	+27,560	37.4	53.1	+9.5
New York Plate Glass, N. Y	460,379	445,739	14,640	......	—640	14,000	24,000	......	—10,000	43.8	52.9	+3.2
Totals (4) Companies	1,652,636	1,579,670	*72,966	......	*—6,914	*66,052	105,000	......	*—38,948	....	....	*+4.4
Miscellaneous Companies.												
American Credit Ind., N. Y	1,225,977	993,974	232,003	......	—57,235	174,768	100,000	......	+74,768	36.9	44.1	+18.9
Hartford Steam Boiler, Hartford	1,269,701	1,130,729	138,972	......	145,026	283,998	60,000	......	+223,998	9.3	79.7	+10.9
Totals (2 Companies)	2,495,678	2,124,703	370,975	......	*87,791	458,766	160,000	......	+298,766	....	....	+14.9
Grand Totals, 1906 (42 Companies).	52,232,010	50,073,375	2,158,635	......	*1,647,310	3,805,945	2,643,929	*—107,692	*+1269708	....	....	+4.1

* Net. † Amounts of foreign companies in dividend column represent net remittances to or (—) net receipts from home offices. Amounts for American companies preceded by minus sign (—) indicate surplus paid in by stockholders. ‡ Minus sign (—) in surplus earned column indicates combined underwiriting and investment loss. § Includes $500,000 transferred from surplus to capital. ¶ Premiums include $19,425 of policy fees. Company transacts business on industrial plan. a Includes $100,000 transferred from surplus to capital. b Surplus paid in $125,000, less dividends declared, $40,000. c Surplus paid in. d Dividends, $47,560, less surplus paid in, $2,850.

required $2,643,929, leaving $1,269,708 to be added to net surplus.

A brief summary of the results for the past four years may be of interest and is presented below:

Year.	Number of Cos.	Earned Premiums	Underwriting Profit (+) or Loss (—).	Ratio of Profit (+) or Loss (—).
1906	42	$52,232,010	+$2,158,635	+4.1%
1905	38	46,511,632	—239,742	—0.5%
1904	39	43,256,375	+175,916	+0.4%
1903	39	37,709,506	+1,062,422	+2 8%
Totals (4 years)	Avg. 39	$179,709,523	Net+$3 157 231	+ 1.8%

There is good reason for optimism in the above figures, indicating, as they apparently do, that the business is not only increasing in volume, but in profitableness. The casualty companies, which contribute about two-thirds of the premiums, made an underwriting profit in 1906 of 3.2 per cent, whereas, in 1905 their loss was 2.7 per cent, and in 1904 they made a profit of but 1.2 per cent.

The more conservative methods which have ruled among the accident and liability companies during the past year have had a gratifying effect upon the business results, sufficient to warrant their continuance, and, perhaps, their

gradual extension. Taken altogether, the business of casualty and miscellaneous insurance is in a much healthier condition now than it was a year ago.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

William H. Van Voorhis has been appointed Brooklyn agent for the Milwaukee Mechanics, Michigan F. and M. and the Indianapolis Fire, reporting to T. Y. Brown & Co.

Carl Schreiner, manager of the Munich Reinsurance Company, arrived in New York from Europe a few days ago.

F. H. Ross & Son have been appointed New York city agents of the Prussian National Insurance Company of Stettin, Germany.

John Monks, formerly special agent of the Western and British America, is now New York city adjuster for the German American.

The Exchange has adjourned until September, and consequently there are no fears of sudden and unexpected legislation upon rates or forms or new inventions during the remainder of the hot weather. There is only one new hobby pending in the Exchange, which is in the hands of the rate committee, and refers to the proposed allowance of two and one-half per cent for an automatic device for registering watchmen's calls. This is a supplemental service to the auxiliary alarm, for which there is an allowance already. The proposal struck many members as unnecessary a month ago, but it is now in the hands of the committee upon a motion to consider the expediency of a general revision of all the deductions for safety devices.

The branch office question is causing considerable discussion among brokers in its relation to illegitimate deals and rebates given to the insured. There are not many real facts given out, but there are hosts of unconfirmed reports of cheating and barrels of suspicions. There is hardly a broker on the Street who is not filled with stories of circumstantial evidence. Lately a new version of the brokers' attitude toward branch offices has been heard, which is to the effect that any broker who is satisfied with the present conditions may be suspected of collusion with the uptown branch offices. The case stands somewhat in this order: If excited, not guilty; if indifferent, guilty; and if skeptical, guilty beyond doubt.

The trifling fire in the Lorillard tobacco works in Jersey City revealed a loss estimated at $5000, with a total insurance of $1,250,000, over half of which is in factory mutuals. The reason why is easily explained. The mutual rates are less than half the rates paid to the stock companies.

The famous alphabetical index which accompanies the storage warehouse rates in this city is undergoing a continual revision or change. Since it was first adopted, five years ago, no less than ninety changes have been made in the classifications. At the regular July session of the Exchange, the rates on various medical barks—like cinchona and others—were reduced from 22 to 19 cents, in order to make them consistent with others in the list. Apparently this is about the only place where an attempt to make consistent and defensible rates is made. The principle is a good one and does not fail in other rates for want of opportunity.

Brokers who dabble in automobile insurance have learned their lesson well in offering confusing forms and rates to the owners of these machines. There are at least five different forms in use, and the range of companies is from the ordinary fire, as well as marine companies doing a regular business in this city, to the English Lloyds policies, made binding here but actually written abroad. The latter is the cheapest by at least fifty cents, and may be had in a narrow or broad form, according to rate. The trick here is to find a customer who holds automobile policies at a regular rate, and then offer him a policy at a much less rate. The average owner does not understand or comprehend the distinction of coinsurance, deduction, average and replacement, and other kinks introduced into the policies, and usually bites at the proposal solely because it is cheaper. Any man who has suffered a loss on an automobile learns that it is full of peculiar clauses and needs an expert to pass upon it quite as much as the most complicated marine policy.

The consolations of fire underwriters are few and far between. One of them this season is that the expenses of watching and defeating hostile legislation at Albany this year was so trifling as to be scarcely worth mentioning—a rare experience.

There was considerably more than a quorum present at the last meeting of the Exchange and considerably less at the previous monthly meeting of the New York Board. Why the same representatives should absent themselves from one meeting to be present at the other is a puzzle. Possibly the almighty dollar has something to do with it. A fine of $1 is levied on absentees at Exchange sessions—no fine is levied by the Board.

The dividend announcements led off with a semi-annual by the Continental of 22½ per cent and the Home of 10 per cent, and certainly do not indicate that the business is wholly ruined yet.

There are many indications that the leading companies which, up to July of last year, were dealing very liberally with lines in the congested district in this city have experienced a change of heart. Now they are reducing some of the lines on the choicest risks which were increased last year at their own request. This is complete reversal of opinion.

Improvements in pier risks are among the latest signs. The Hoboken piers are especially marked for improvements and fire protection.

Arthur Brown, of the San Francisco firm of Edward Brown & Sons, and John R. Hillman, president of the San Francisco Insurance Brokers Exchange, were in New York this week. The last named is on his way to Europe.

BOSTON AND VICINITY.

Frank Gair Macomber, the well-known Boston fire and marine underwriter, has gone to Europe. While in Germany he will witness the yacht races at Kiel.

W. F. Rice, F. H. Battilana and W. H. Boutell have been appointed a committee of the New England Insurance Exchange to arrange for the annual outing of that body, which will take place in August or September, probably at some seashore resort in Rhode Island.

The Boston Board of Fire Underwriters has adopted the following rule:

In all mechanical and mercantile establishments, except paint and oil stores where the use of benzole, benzine, naphtha or other light distillations of petroleum are permitted * * * in all cases shall be limited to one day's supply. In paint and oil stores and garages the amount shall be limited by the amount printed on the rate card. In retail drug stores, an amount not exceeding five gallons may be kept in sealed bottles not larger than one pint in size, provided that no filling of said bottles is allowed on the premises.

NOTES FROM PHILADELPHIA.

The Scottish Union and National has appointed Andrew Mackeenie, Jr., special agent for New Jersey. He was formerly stamp clerk at Morristown, N. J.

The Delaware has declared a semi-annual dividend of 7½ per cent. The earnings of the Delaware for the past year ending with June 30, show approximately 28 per cent on the stock after making due allowance for depression in the market value of securities.

Mayor Reyburn, in passing through the City Hall the other day, was reminded of the fact that the motor cycles which are used by the bicycle squad of the police department were stored there, by the violent chug-chugging of one of the machines. He looked in the door of the room and found there was space allotted for seventy machines, and the necessary large quantity of gasoline to keep them going. The mayor said:

That station should not be in the City Hall. I have spoken about it before, and I am going to try and find another place for it. There is

enough gasoline stored there to blow out the side of the City Hall, and there is no reason why the place should be maintained.

The Insurance Company of North America has declared the usual semi-annual dividend of 6 per cent, the Mechanics one of 5 per cent, and the County Fire one of 4 per cent.

William Rowland, president of the Independent Mutual Fire Insurance Company, died suddenly last week.

George H. Steffen, who was convicted in this city of arson, has been sentenced to a term of three years in the Eastern Penitentiary.

John P. Guckes, for many years in charge of the insurance agency of Coleman & Wonsettler at Norristown, Pa., has resigned, and will on August 1 become a special agent of the Camden Fire in New Jersey. J. J. Carr, of the S. Story & Son agency in this city, succeeded Mr. Guckes.

Threatened suit by a San Francisco party who has bought in a number of small claims against the American Fire Insurance Company of this city, has caused a temporary suspension of the efforts to reorganize that company. Whether the matter will again be taken up is somewhat problematical.

THE MIDDLE STATES.

M. Dugro Buttles President of Hamilton Fire.

On Monday last the following named gentlemen were elected directors of the Hamilton Fire Insurance Company of New York: Lewis Hunt, capitalist; W. C. Bennett, of the Philadelphia insurance firm of Chas. Tredick & Co.; J. C. Gibbons, of Gilman, Collamore & Co., New York.

The directors elected M. Dugro Buttles as president of the company to succeed the late Marvin S. Buttles. The new president has taken an active interest in the Hamilton Fire, having been its general agent and manager for the last two years. He is a man of considerable means, enterprising and persistent, and under his administration the company may be expected to continue to prosper.

—The American of Newark has under consideration an increase of capital to $750,000.

—The Joplin Fire Underwriters Association has been organized by local agents of Joplin, Mo. The officers are: J. B. Grigg, president; Howard Gray and Kate D. Clover, vice-presidents; Richard Rudd, secretary, and Henry Dibgy, treasurer.

—The sudden and unexpected death of F. K. Locke, New York general agent for the Union of Philadelphia and the Insurance Company of the State of Pennsylvania, has been followed by the appointment as his successor of Andrew C. Briner of the home office, with headquarters at Syracuse. Mr. Briner is entirely familiar with the present policy of the companies, and his selection will, no doubt, be satisfactory to the agents.

THE WEST.

Ohio Observations.

[From Our Own Correspondent.]

The governing committee of the Cleveland Insurance Exchange met with Manager Charles H. Patten, of the Cleveland Inspection Bureau, Thursday to talk over the matter of reducing rates, because of the completion of the high pressure system in the congested district of the city. This matter will be taken up at once, but it is not known just what will be done with it.

The classification of exposures in the dwelling house business in Cleveland will be simplified by the inspection bureau as soon as possible. The system has been rather complicated and agents have had trouble in getting correct figures in the past. An endeavor will be made to put the matter into such shape that any solicitor may be able to make up a rate, after viewing the property.

The Western Reserve of Cleveland is now planting agencies in the larger towns of West Virginia and Kentucky.

At Cincinnati the local board is endeavoring to hunt down a number of cases of rebating, which latter is said to have been practiced rather freely in that city recently.

Field men in this State are doing all they can to prevent the spread of bad practices over the State to any great extent that at present prevails. However, some of them feel that there is little hope for improvement until the question is taken up by the managers. O. M. C.

Cleveland, July 13.

—The Southern and Guardian have been licensed in Iowa.

—F. A. Craft has been appointed Fire Marshal for South Dakota.

—James M. Sexton of Madison, Wis., has been appointed assistant to Fire Marshal T. M. Purtell.

—The Walla Walla Fire has been admitted to Illinois, and Brown, Anderson & Young will represent the company in Chicago.

—The rate war in South Bend, Ind., continues uninterrupted, but neither side is more than usually active in soliciting business.

—B. E. Selbach of Denver has been appointed general agent for the Union of Philadelphia and State of Pennsylvania in the mountain States.

—The Attorney-General of Arizona holds that the new law prohibiting reinsurance in unlicensed companies is invalid and cannot be enforced.

—Hudson Jones, formerly in the Western department of the Phenix of Brooklyn, has been appointed special agent in Indiana under State Agent Riddle.

—A number of suits have been filed in San Francisco against fire companies by the Policyholders Adjustment Company to compel the companies to pay the face of their policies.

—J. D. Polloch, formerly with the Waterworth Rating Bureau at St. Louis, has been appointed rating commissioner for the Kentucky Board of Underwriters, succeeding E. F. Scott, resigned.

—E. E. Wells, special agent for the New York Underwriters in the Western States, has been elected secretary of the Mountain Field Club. George H. Batchelder, former secretary of the club, has removed to Chicago to become assistant manager of the O. C. Kemp general agency.

—The St. Louis agency of Western Bascombe & Co. has been merged with that of W. H. Markham & Co. Mr. Bascombe has conducted an insurance agency for nearly forty years. The firm name of Bascombe & Co. will be continued, but the business of the agency will be handled through the office of Markham & Co.

—Injunction suits have been filed in the County District Court at Topeka, Kan., by Attorney-General Jackson against eighty fire insurance companies, charging them with alleged violation of the State anti-trust laws. Charles H. Barnes, Superintendent of Insurance, furnished the information on which the suits are based. It is sought to prevent the companies from using the Eldridge rating sheet in writing Kansas business. Judge A. W. Dana granted the temporary injunction, and the Attorney-General will seek to have it made permanent. The Attorney-General specifically asked that, if the defendant companies fail to comply with the orders of the court, a receiver be appointed for each.

THE SOUTH.

Georgia Legislation.

A bill has been introduced in the Georgia Legislature requiring assessment or co-operative fire insurance companies to make a deposit of $5000 with the State Treasurer. Another bill provides for the investigation of the causes of all fires and for the prevention of excessive fire insurance rates, and for other purposes.

This bill also seeks to regulate rates by specifying that no fire insurance company shall be permitted to do business which is a member of an organization the purpose of which is to establish, fix or maintain excessive or unreasonable rates. A company may, however, be a member of an association, the purpose and object of which is to secure the proper inspection and classification of risks. Citizens may appeal to the comptroller general in regard to alleged excessive rates and he shall investigate and, if he finds a complaint justified, shall order the company to make a reduction and refund any excess charges collected. This bill also provides that no company shall charge more in Georgia than in adjoining States, on risks of like character.

A bill has been introduced in the Senate, the object of which is to define the character of securities to be deposited with the State. It specifies that the amount of the bonds, according to their face value, shall be $25,000.

—The Firemens of Newark, N. J., has been licensed in Tennessee.

—Samuel H. McRae, a well-known fire agent of Fayetteville, N. C., died on July 6.

—It is understood that within the next sixty days the Star Fire of Louisville will add $50,000 to its surplus.

—A. F. Pillet, formerly assistant secretary of the Austin Fire, has been elected secretary to succeed A. F. Hancock, resigned.

—The city of Chattanooga is said to be in danger of a serious conflagration, owing to the chance of the single force main breaking at a critical moment.

—The Queen has entered Arkansas, with G. L. Meyers & Co. as general agents. The Sun of New Orleans has also entered Arkansas, with L. B. Leigh as general agent.

—R. W. Alexander of Charlestown, W. Va., has retired from the firm of Washington & Alexander and will hereafter devote all his time to the Citizens Fire of Charlestown.

—The Georgia Fire Insurance Company has been chartered, with headquarters at Cedartown. The company has a capital stock of $100,000 and the incorporators

are William J. Harris, E. M. Langford, J. D. Smith, G. R. Hutchens and M. A. Harris of Polk county. The headquarters will be at Cedartown.

—The Farmers Mutual Fire of Mississippi, backed by the Mississippi branch of the Farmers Union, has begun business, although refused a license by Insurance Commissioner Cole.

—The Truitt-Savage Company has been incorporated at Norfolk, Va., with $25,000 capital. E. F. Truitt is president and treasurer; I. F. Truitt, vice-president, and E. C. Savage, secretary.

—The Ætna has found it necessary to divide its territory in Alabama and Florida. Prioleau Ellis will hereafter have exclusive charge of Alabama, and Geo. W. Mills will look after Florida.

—E. A. Carlton, formerly with the Southern Underwriters and Southern Stock Fire, succeeds C. A. Mebane as special agent in North Carolina. Mr. Mebane will hereafter look after the Mississippi and Arkansas field.

—Through the Insurance Department of Texas the Attorney-General has been instructed to bring suit against the Standard Mutual Fire of Houston for forfeiture of its charter and the appointment of a receiver, charging that the company is insolvent.

—The Home Fire Insurance Company of Oklahoma City will change its name to the Pioneer Fire Insurance Company in order to do away with the confusion which arose between the Oklahoma City company and the Home Insurance Company of New York.

—The Texas Fire Prevention Association has concluded that the conflagration hazard there is serious, owing to structural weaknesses and deficient fire department. It is admitted, however, that the city has an excellent water supply and few hazardous risks.

—A charter has been granted to the Savannah Mutual Association to do a fire insurance business under the assessment laws of Georgia. The company has no capital stock, and the incorporators are D. C. Suggs, F. M. Bell, L. S. Reed. Edward Petty and Charles A. Lewis.

—The Tennessee Field Club has elected the following officers for the ensuing year: President, James K. Polk, Nashville; vice-president, U. F. Moss, Louisville; secretary, John M. Picton, Nashville. Executive committee—W. A. Stone, Memphis; William Haynes, Atlanta; C. F. Frizzell, Nashville; A. F. Bolling and F. G. Snyder, Louisville.

—General Manager Joseph Frudenfeld of the Queen City Fire has recently made the following appointments: H. D. Richardson of New Orleans appointed general agent for Louisiana; Wolverton & Co. of Oklahoma City, general agents for Oklahoma, and the Union Banking and Trust Company, at Dallas, general agents for Texas.

THE PACIFIC COAST.

San Francisco Jottings.

[From Our Own Correspondent.]

The Merchants Exchange is the insurance center of the "Newer San Francisco." Fully twenty-five agencies have moved into the Exchange since July 1.

The California Insurance Company will move into its new building on the corner of Sacremento and Leidesdorff streets about September 1.

The Brokers Exchange is now in full sway. The Board of Fire Underwriters will not grant a broker's certificate unless the applicant is a member of the Exchange, and as it requires a membership fee of $100 to enter the Exchange, many of the small fry are being dropped. As the Exchange is supported by all the brokers, its success is assured, but whether the companies will stand by and support the new venture remains to be seen.

E. B. Haldan is back from London with a few new facilities for handling surplus line business.

The National Union of Pittsburg will soon commence writing San Francisco business again.

Gerald Rathbone, underwriter for the Pacific department of the North China Insurance Company, has just returned with another marine agency up his sleeve.

The Fourth of July fire losses were the smallest in the past thirty years.

Julius Jacobs, one of the oldest insurance men on the street, joined the silent majority last week. Mr. Jacobs was an able underwriter, popular among all classes and was considered one of the best insurance authorities in the West.

San Francisco, July 9. Occidental.

MISCELLANEOUS FIRE NEWS.

—One share of the Hartford Fire Insurance Company stock, par $100, was sold last week at auction for $496.

—The proceedings of the eleventh annual meeting of the National Fire Protection Association, which meeting was held in New York on May 22-24, have been issued. They make a book of over 400 pages, including diagrams and illustrations. The Association has nearly 1200 members and appears to be in a very prosperous condition.

—Burnett, Ormsby & Clapp of Toronto, Ont., have acquired control of the Ottawa Fire Insurance Company.

—"Moody's Manual of Railroads and Corporation Securities" for 1907 has been issued by the Moody Corporation. It embraces about 2800 pages, and contains reports upon the standing and operations of over 6700 corporations, including steam railroads, electric traction, lighting, power, water, telephone, telegraph, industrial and mining companies in the United States, Canada, Mexico and Cuba. The bond and stock issues of the companies reported upon reach the enormous total of $36,248,668,000. In addition, valuable, but less complete, data are presented concerning more than 13,500 banks and other financial institutions, bringing the aggregate number of concerns reported upon well above 20,000. This book has come to be a standard authority in its particular field, and will be found invaluable by bankers and investors.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

Somebody—possibly several bodies—appears to be working overtime and sitting up nights to invent rumors regarding life insurance companies. One of the latest was to the effect that the Security Mutual Life of Binghamton was to be reorganized, and that President Charles M. Turner was to be "reorganized" out of the company. It scarcely required an official denial by officers of the company to brand such a rumor as without the slightest foundation, and it was manufactured from the imagination of its inventor. As a matter of fact, Mr. Turner could illy be spared from the Security Mutual, and should he withdraw at any time the loss would be the company's, not his. Mr. Turner founded the company and successfully carried it through many tribulations and trials in its early days, and has always been recognized as its governing spirit. He has built up a large and growing business for it, and made its reputation for fair and liberal treatment of its policyholders and its field force. He is indefatigable in his work in behalf of the company. and is greatly beloved by his associates and its many agents. The man who, in these latter days, can establish a life insurance company, as Mr. Turner has done, upon a sound financial basis, and build it up to enviable proportions, is deserving of the highest credit from the public. Rumor mongers were all at sea regarding the Security Mutual.

Wm. M. Byrne, of Wm. M. Byrne & Co. of St. Louis, general agents for the Maryland Casualty and also prominent fire insurance agents, was in town this week.

BOSTON AND VICINITY.

Governor Guild has announced the following for trustees of the general gratuity fund, which was established by the last legislature, with relation to savings bank insurance:

Warren A.Reed, Brockton, chairman, vice-president of the Peoples Savings Bank, Brockton; Chas. W. Hubbard, Brookline, Brookline Savings Bank; Preston Pond, Winchester, Winchester Savings Bank; George Wigglesnorth, Milton, Milton Savings Bank; Chas. K. Fox, Haverhill, Peoples Five Cents Savings Bank; Chas. C. Hitchcock, Ware, Ware Savings Bank; Hamilton Mayo, Leominster, Leominster Savings Bank.

The Maine Life Underwriters Association has chosen the following delegates to the National convention: Walter DeC. Moore, Bertrand G. March, Thos. E. McDonald, J. P. Stevens, Chas. A. Bradley. Alternates, Geo. M. Barney, Milton A. Jewell, Fred M. Grant, Arthur C. Wescott, Geo. E. Smith.

The Insurance Department is distributing copies of the revised and amended laws relative to insurance, other than fraternal and assessment, as passed by the last legislature. These include the Massachusetts insurance laws to date, with recodifications and amendments.

Monday evening, Edward J. O'Neil. recently appointed Massachusetts manager of the United States Fidelity and Guaranty Company, was given a complimentary dinner by his associates with John C. Paige & Co.

NOTES FROM PHILADELPHIA.

The decision last week of Attorney-General Hampton L. Todd to make application for a receivership following the report of the auditors appointed to examine the accounts of the Keystone Bonding Company of this city, which, it is said, shows the company to be insolvent, precludes the satisfactory adjustment of the concern's affairs through the general reinsurance of its bonds. It is understood that the government business had been already reinsured, also that the company will not oppose receivership proceedings.

The directors of the Provident Life and Trust last week elected John Thompson Emlen a member of the board to fill the vacancy caused by the death of Thomas Scattergood.

The Continental Life of Wilmington, Del., which has just been incorporated, will for the present confine its operations to the States of Delaware, Maryland and Pennsylvania.

THE MIDDLE STATES.

George T. Dexter.

In the reorganization of life insurance companies that has been going forward during the past two years, live, active, capable men, with a thorough knowledge of the practical as well as the theoretical side of life insurance, have been in demand. Oue of these, George T. Dexter, second vice-president of the Mutual Life and superintendent of domestic agencies has, by force of circumstances, been placed in the foremost position in that company, and has responded in a most satisfactory manuer to the many new responsibilities placed upon him. The president of the Mutual, Charles A. Peabody, as is well known, is a brilliant lawyer and a trusted financier, but had a limited knowledge of the insurance business when called to the presidency. Emory McClintock, the distinguished actuary of the company, was elected first vice-president and was regarded as the confidential adviser of the president. But Mr. McClintock was soon taken ill, and for many months has been uuable to attend to any of the duties of his office. Mr. Dexter was the next officer in rank, and upon him devolved the burden of conductiug the practical insurance part of the business. President Peabody is rendering excellent service in the general, and especially the financial management, but the man with the experience of many years in connection with the business getters—the field men—is the one relied upon for giving practical effect to the policy adopted by the governing powers of the company. Fortunately, Mr. Dexter is especially well equipped for the responsible dutles coufided to him. He is a broad minded man, highly intellectual, possessing rare executive ability, with suave, courteous manners for all-comers. He has endeared himself to the agency force by the aid aud comfort he has extended to them at all times, and by the methods he has put in practice to aid them in their work. But it is not alone in the agency field that his influence has been felt, for he is an all-around life insurance man, a student of the theory and science underlying it, and up to date on all that is beiug done to promote its welfare. It is extremely gratifying to see such able insurance men as Darwin P. Kingsley, president, and Thomas A. Buckner, vice-president, of the New York Life, and George T. Dexter, vice-president of the Mutual, taking a leading part in the management of the affairs of these two great companies.

—Joseph E. Gavin of Buffalo has been appointed general manager of the Equitable Life for the Western New York district, with headquarters in the Erie County Bank building, Buffalo.

—R. W. Nagel, who has been with the Metropolitan Life for about fifteen years, has been appointed office manager of the United States department of the Prussian Life. The Prussian is a high-grade company and is doing well in this country.

—The Mutual Benefit Life reports that its issued and revived account for the first six months of 1907 is $32,331,338, an increase of $1,980,839 over the corresponding period of last year. Notwithstanding that the insurance in force on July 1, 1907, was $437,440,782, an increase of $31,416,624 over July 1, 1906, the death losses for the first six months of 1907 were only $232,336 greater than in the first six months of 1906.

THE NEW ENGLAND FIELD.

—J. D. E. Jones of Providence, R. I., who has been manager of the Equitable Life since 1898, has left that company to become the active manager of the Puritan Life Insurance Company, which was chartered at the last session of the General Assembly of Rhode Island.

—William G. Lotze and Harry W. Tompkins have been appointed managers for Southern Connecticut for the New England Mutual Life. They will operate under the firm name of Lotze & Tompkins, with headquarters at 200-201 Malley building, New Haven, Connecticut. Mr. Lotze retires from the New Haven Y. M. C. A., where he has been general secretary for the past nine years, and Mr. Tompkins is a recent graduate of Yale and for the past year has been a salesman for a New York bond house. Amos H. Osborne has been appointed district manager for the New England Mutual, with headquarters in the Buckingham building, Waterbury, Connecticut.

THE WEST.

The Wisconsin Life Insurance Hearing.

[SPECIAL DISPATCH TO THE SPECTATOR.]

Madison, Wis., July 16.—Governor Davidson of Wisconsin has had a final hearing on the insurance bills pending before him, on which he is expected to act this week. The insurance companies are opposing the measures, arguing that the enactment of the bills into law will result in much harm to policyholders and will almost certainly cause most of the large companies to withdraw from the State. At the conclusion of the hearing the Governor told the insurance men he would give the bills his careful consideration before acting on them.

The Northwestern Mutual Life of Milwaukee succeeded in getting Speaker Ekern to consent to an important amendment to bill 686A, limiting the loading of premiums for expenses. By this the passage of the bill is made certain and it also gives the companies a little more latitude in the matter of loading for expenses. However, it does not increase the loading limit originally fixed in the bill, which is one-third of the net single premium on the ordinary life policy insuring a like sum and issued at a like age, computed according to the American Experience Table of Mortality, with interest at three per cent.

Later Governor Davidson approved the so-called reform bills on July 16. These bills were introduced in the legislature five months ago as the result of the investigation made by a special legislative committee last year. Just before being sent to the Governor, the bill designed to prohibit the use of proxies in the election of trustees of the Northwestern Mutual Life of Milwaukee, was found to be in such form as to permit the continuance of the proxy system. Au amendment was adopted correcting it. This bill provides that every policyholder shall have a vote in the election of trustees, and that the vote may be cast by mail or in person. One of the other insurance bills signed by the Governor limits loadiug on a policy for expense purposes, the limit being one-third of the single net premium on an ordinary life policy.

Some of the life companies in the East have threatened to withdraw from the State if these bills become laws.

The Jefferson Life Transferred to the Ohio State Life.

At the regular monthly meeting of the agents of the Jefferson Life Insurance Company of Indianapolis, held on July 6, the field force was made familiar with the proposition of the Ohio State Life Insurance Company to consolidate the two companies.

This proposition having met with the approval of the field force, has since been unanimously accepted by the board of directors of the Jefferson Life and a committee appointed to see that all the requirements of the statutes guarding the interests of the stockholders and policyholders are carefully carried out. Vice-President G. E. Harvell of the Jefferson will be associated in the management of the Ohio State Life as assistant general manager of the company, and he will remain in Indianapolis, for a time at least, to develop the organization with which he has had so much to do in building up. A more efficient man could not be secured to look after the interests of the company in Indiana. The present offices of the Jefferson Life on the seventh floor of the Newton Claypool building will be retained as State headquarters and the business pushed with reuewed energy.

—The Des Moines Life has been licensed in North Dakota and Montana.

—The Western Reserve Life of Muncie, Ind., has been reincorporated under the legal reserve deposit law of Indiana.

—Thomas Shields, associate manager of the Travelers in Chicago, has been appointed general agent of the Hartford Life in the same field.

—Application has been made to the Circuit Court at Detroit for a receiver for the Michigan grand lodge of the Ancient Order of United Workmen

—The Security Life and Annuity Company of America, which recently changed its name to Security Life Insurance Company of America, has moved from the Majestic building to the eleventh floor of the Rookery building, Chicago.

Geo. E. Towle, W. J. Graham, L. K. Thompson, S. A. Harris, E. W. Decker, B. F. Nelson, John T. Baxter.

—The Insurance Department of the State of Illinois, under the direction of its actuary, Major J. J. Brinkerhoff, has completed a thorough and detailed examination of the books, accounts and affairs of the Franklin Life of Springfield, Ill. The conservative management and prosperous condition of the company are evidenced in a number of ways in the official report of the Insurance Department.

—The triennial convention of the Ladies of the Maccabees of the World will be held at Atlantic City, N. J., July 16 to 18. This order was established in 1892, and has now reached a membership of about 160,000, having paid benefits amounting to over $5,500,000. Thirteen thousand new members were added during the first six months of the year, and the order is in a most flourishing condition both as to growth and finances.

—The Majestic Life Assurance Company has been formed to absorb the Majestic Life Insurance Company of Indianapolis. The new company is incorporated under the act of 1899, providing for the organization of stock and mutual life insurance companies. The capital stock is $1,000,000, and the company proposes to write non-participating insurance. Richard D. Hughes, M. M. Mahoney, M. A. Odenthal, J. S. Maholm, H. R. Martin, W. S. Tomlin, Chas. A. Allen, Chas. F. Kramer are the incorporators

—The Progressive Life Insurance Company is being organized in Chicago by F. W. Clisby, J. D. Karpinsky and R. J. Jeffs. The company will have a capital of $250,000, and the stock, which has a par value of $100, will be sold at $200, one-half going into the surplus. The company will operate under the registration act of Illinois, and is the outcome of the Consolidated Agencies Company, which was organized some time ago by the same parties, and which is said to have met with great success.

—William H. Herrick, for the last ten years with the Provident Savings Life and for the last eight years supervisor of agencies at St. Louis, resigned last month, and July 1 became manager of the St. Louis office and agency force of the Massachusetts Mutual Life. The company has been without a local manager since the retirement of William King a year and a half ago. Mr. Herrick is a very well-known insurance man and is regarded as a most successful agency director. He is also president of the Life Underwriters Association of St. Louis, having been elected at the last annual meeting. He was formerly secretary of the association.

—The Royal Union Mutual Life of Des Moines, Ia., will shortly issue a new series of participating policies with premiums and guarantees on the American Experience, 3½ per cent basis. Specimen pages of a new rate-book, now in course of preparation by F. S. Withington, consulting actuary, show some attractive new features, among which are the privilege of changing from deferred to annual dividend plans or vice versa in any year after the third, under proper conditions; also an optional life annuity at age 65. Among the new forms added are a thirty-payment life and thirty-year endowment, twenty premiums. All the policies have liberal surrender values, extended insurance, fixed instalment and continuous instalment options and grace clause. The business of the company for the six months ending June 30, 1907, was about 10 per cent larger than for the corresponding period of 1906.

THE SOUTH.

Rome Industrial Life Insurance Company.

The Rome Industrial Life Insurance Company, the first old line legal reserve industrial company organized in the State of Georgia, recently held a meeting of the board of directors and officers were elected as follows:

Sproull Fouche, president; J. J. Reese, general manager; J. L. Bass, first vice-president; G. B. Holder, second vice-president; John Graham, first secretary; J. R. Leal, second secretary; H. E. Kelley, treasurer; J. L. Wallace, superintendent of agencies.

The officers elected are among the representative business men of Rome. Sproull Fouche is president of the Citizens Bank of Rome; J. J. Reese is thoroughly experienced in the insurance business and will make a first class general manager; J. L. Bass, president of the Bass & Heard wholesale dry goods establishment, and other officers are equally well known in connection with the business enterprises of Rome.

—The Des Moines Life has been admitted to Georgia.

—Insurance Commissioner Folk of Tennessee has signified his intention to enforce to the letter the new law against agency and board plans and stock selling with life insurance.

—The Inter-Southern Life of Louisville, Ky., has entered Texas, and is prepared to comply with the Robertson law. F. D. H. Shaw, formerly of the Citizens Life, is Texas State superintendent of agencies, with headquarters at San Antonio.

—Chas. P. Ligon, general agent of the Security Mutual Life of Binghamton, N. Y., for South Carolina, has been doing a most creditable business of late. In March his agency was among the leaders, while in April his agency was fourth, and he headed the list of personal producers of his company. In May the South Carolina general agency was second, with Mr. Ligon occupying the same number on personal production, and in June South Carolina again took second place, while General Agent Ligon was third on the list of personal writers.

—The American National Life of Galveston, Tex., reports that new business for the month of May was 33⅓ per cent greater in 1907 than in 1906, and in July, 1907, 40 per cent greater than in July, 1906. On July 1 the company entered Arkansas and North Carolina, and has just begun working in Oklahoma and Mississippi, and is negotiating to enter Georgia, Florida, Virginia, Alabama and Louisiana. Good, reliable agents are wanted in the above-mentioned territory, which is just being opened. The success of the American National Insurance Company was never greater than at present, notwithstanding it wrote more business in the State of Texas in 1906 than any life insurance company doing business in the State.

Casualty, Surety and Miscellaneous

Inspections of Liability Risks.

At the present time, when liability insurance passes out of a state of childhood, having completed its twenty-first year of existence, it may be appropriate to consider how far any improvement has been brought about by inspection of risks, which was strongly advocated some five years ago. Up to that time it had been the established practice of all the companies to maintain a corps of trained men, constantly engaged in inspection of elevators and of general liability risks. So far as the ordinary run of liability risks it was the custom to charge a rate which was assumed to be sufficient, without inspection, for all the risks incident to the business. If the moral hazard be beyond question, the acceptance without inspection is not productive of any known trouble. It may be stated, however, that if the moral risks be bad, no premium, however increased, can eventually be made sufficient to counteract the disposition on the part of the assured to get the better of the insurance company. The co-operation of the assured is necessary to success, while hostility to the company or collusion with the assured is fatal to making any underwriting successful.

The arguments advanced against a general inspection of all liability risks may be briefly summarized as follows:

1. That the conditions are constantly changing, rendering the inspection of little use unless made constantly.

2. That the risks are so varied that competent inspectors would be too expensive to utilize in sufficient numbers.

3. That the costs of the inspections should be more than offset by the saving in accidents and payment of indemnity.

4. That the companies ran a decided risk if accidents occurred as the result of adopting the recommendations of their inspectors.

5. That a review of a large number of accidents failed to reveal that any appreciable number could have been prevented by any system of inspection, however perfect.

6. That the assured desired protection for the risks as they existed in actual running order from day to day, and would never consent to make expensive alterations from which they derived no specific return.

7. That employers neglected to make improvements, even upon the request of the factory inspector, whose demands had the force of law, and could not be expected to follow the suggestions of any company's inspectors.

We have now had a practical test of the question, thanks to the persistent and conscientious effort on the part of one company which, upon its advent into the liability business five years ago, boldly proclaimed its faith in the efficacy of inspections, believing honestly that by their methods accidents would be less frequent and losses reduced more than sufficient to pay for the cost. If this company had proved to have been correct, it must have followed that others would be compelled to do likewise or suffer in consequence. We do not find, however, that any convert has been made, and we are forced to the conclusion that no one has found it necessary to change his present methods.

Referring to the figures published on June 13 in The Spectator, as taken from the Massachusetts Report for last year, it will be seen that the average number of accidents reported by the leading companies was 29 per $1000, while the one company making a specialty of inspections was 30, indicating a distinct increase where we should have expected a reduction. Further, the losses paid during the year

1906 are higher than the large majority of other companies. Whether, therefore, we take as a guide the number of accidents or the losses paid, we fail to find any necessity for inspections as a means of improving the risk, and are forced to the conclusion that the praiseworthy effort in that direction has failed of justification.

New York, July 12. LIABILITY.

Philadelphia Casualty Reinsures Its Steam Boiler Risks.

As of July 2, the steam boiler risks of the Philadelphia Casualty Company were reinsured in the Hartford Steam Boiler Inspection and Insurance Company. In relation to this arrangemeut, Secretary Keeler of the Philadelphia Casualty says to policyholders in part:

It is not contemplated that the relation of our agents to these risks shall be chauged, but that, upon the other hand, the Hartford company will seek to hold and renew these risks through our agents who have produced the business; we feel that our agents, as well as our policyholders, are to be congratulated upon the consummatiou of this reinsurance contract with the Hartford.

Steam boiler insurance is an expensive business to conduct under any circumstances. It requires the maintenance of au expeusive mechanical organization throughout the entire territory in which tbe company operates and the employment of a large force of skilled mechanics in order to conduct the business with economy and to provide a prompt and efficient iuspection service.

The aggregate of the business to be had is limited and the fierce competition among the many compauies that are dabbling in its forces rates so low that it is exceedingly difficult for any oue company to securc a volume of premiums sufficient to sustain the extended and expensive organization required for a dependable inspection service, and for these reasons we have reinsured as above stated, and we are convinced that the reinsurance of our steam boiler business strengthens our position as respects otber lines of insurance written by us, because our resources cau be used in our other lines to a better and more profitable advantage than is possible in boiler insurance uuder existing conditions, and we shall accordingly make our policies in other lines of iusurance and the service thereunder more valuable to our policyholders than they have ever been.

The Hartford company will inspect your boilers during the remaiuder of the term covered by our policy and will not disturb your relationship with our agent through whom the insurance was originally placed with us, but will be quite willing to reuew the business for and through such agent.

The Accident Underwriters Convention.

On the second day of the convention of the International Association of Accident Uuderwriters, a considerable amount of time was consumed in discussiug the advisability of adopting a standard form of policy. For a number of years a committee has served on standard forms and each year the question has remained unsettled. Many different views are held as to the advisability of adopting a standard form, some holding that its adoption will lead to the companies being made a target for legislators who will doubtless look upon the plan as a form of combination in restraint of trade. The principal reason for not adopting a standard form appears to be the fear that the large companies would cut rates and get the business of the smaller ones. Furthermore, there is no compulsion upon the part of all companies to use the form, if adopted. It has been suggested that unless the companies prepare and live up to a standard form, State legislatures are likely to force one upon the companies. After all has been said, the fact remains that of the fifty-six companies in tbe association, it has never been possible to get together a working majority on this subject. Louis H. Fibel, in opening the debate for the association, made a trito remark which struck a sympathetic chord and created hearty applause. He urged that the association put itself on record for or against the standard form or else say frankly: "Instead of giving the impression that we are here for business, let us tell each other that we will get together for three or four days of golf and other sports." Ralph Butler believed that the burdensome and objectionable features now in the policies should be eliminated ono by one and Arthur L. Eastmure spoke in favor of uniform phraseology, with the same object in view. Alfred G. Forrest came out plainly with the assertion that all the accident companies were making money and if they were not satisfied they might reduce the cost of getting business.

It was finally decided to discontinue the committeo on standard forms and Mr. Fibel moved for a vote on the question whether or not the association wished a standard form. The roll call resulted in nineteen companies voting for and thirteen against the plan. Inspection of the returns shows that the larger companies are against the model policy. The vote by companies was as follows:

"Yeas"—Ætna Life, American Casualty, Baukers Accident, Casualty Company of America, Canadian Railway, Commercial Mutual, Commercial Travelers Mutual, Dominion of Canada, Guarantee and Accident, Equitable Accidont, Commonwealth Casualty Company, Frankfort Marine, General Accident, Great Eastern Casualty and Indemnity, Great Western Accident, Massachusetts Mutual Accident, National Masonic Provident, Ontario Accident, Ocean Accident and Guarautee, London Guarautee and Accident.

"Noes"—Central Accident, Empire State Surety, Fidelity and Casualty, Marylaud Casualty, National Casualty, New Amsterdam Casualty, North American Accident, Pacific Mutual Life, Philadelphia Casualty, Preferred Accident, Travelers Iusurance, United States Casualty, Federal Casualty.

As A. I. Vorys, Insurance Commissioner of Ohio, was unable to attend, his address had to be omitted and D. E. Stevens, president of the Commonwealth, spoke instead on: "To What Extent is the Age of the Policyholder a Factor in Health and Accident Insurance."

W. D. Hooper read the report of the automobile hazard committee, by which it was showu that automobile accidents are nearly twice as disastrous as any other kind. Fifteen companies reported 371 claims, involving seven doaths costing $38,417, or one accident in fifty-three fatal. Mr. Hooper said, iu part:

I think you will admit this is frightfully high. Three hundred and sixty-four disability claims involve 1156 weeks and four and one-half days of total disability, aud 1071 weeks and five and one-half days of partial disability, the average per claim being three weeks and one day's total, plus three weeks partial disability, reckoning the partial disability at one-half time. This meaus that five average automobile disability accidents involve the payment of more than four and one-half weeks total disability. It is a fair estimate, I believe, that the average claim runs about two weeks. Of the 371 accidents reported, 307 were to owners of machines, forty-one to passengers not owners, eighteen to hired chauffeurs aud three to demonstrators. Of the 307 claims to owners, five were death claims involving $32,500. While the 302 disability claims from owners involve 911 weeks aud one and one-half days total, and 945 weeks, five and one-half days partial disability, an average each claim of tbree weeks total plus tbree weeks one and oue-half days partial disability.

One death occurred in every sixty-oue accidents; forty-one claims from passengers involved one death for $4200 and forty disability claims for 163 weeks three days total, and seventy-six weeks partial disability, average for each claim four weeks total, and one week six and one-half days partial disability. One accident in forty-one was fatal; eighteen claims paid to chauffeurs involved fifty-seven weeks four and one-half days total and fourteen weeks one day partial disability, an average per claim of three weeks one and one-half days total and five and one-half days partial disability. Three claims were reported upon demonstrators, whom I have separated from the hired chauffeur, involving one death claim for $1,666.66 and two disability claims for two weeks total and one week partial disability, averaging per claim one week total and one-half week partial disability.

Following the report on automobile hazards, Dr. R. S. Keelor read a paper on "Statistics Regarding Health Insurance," prepared in his usual complete and entertaining style. P. W. Tillinghast, superintendent of the accident department of the Casualty Company of America, spoke most entertainingly on "The Requisites or Qualifications for a Personal Accident Adjuster," and Chester N. Farr, Jr., counsel for the Commercial Mutual Accident, delivered, upon special request, an address ou "What is a Legal Accident."

The executive committee reported the election to membership of the Cleveland Commercial Travelers Life and Accident Association. The executivo committee also recommended that fees for the fiscal year beginning July 1, 1908, for companies whose annual premium income exceeds $100,000, shall be $50 a year, and for companies whose annual premium income is less than $100,000 a year, $25. The premium income is to be determined by the annual report of the companies, as of December 31 of the year preceding. The recommendation was adopted by the convention.

The afternoon of the second day of the convention was devoted to a baseball game between the insurance journalists and the accident underwriters. At the end of the game the official score showed twenty-one for the underwriters and twenty-three for the journalists, but the acts of the official scorer and the umpire were not taken seriously and both sides claim a victory.

The session of July 11 began with an address by James V. Barry, Insurance Commissioner of Michigan, in which he strongly urged publicity as a cure for evils in the insurance business. He also came out as against standard forms, which he said throttled competition aud hindered individual effort aud advancement of the business.

At the suggestion of E. W. DeLeon, of the Casualty Company of America, the subject of over-insurance under death and dismemberment policies was discussed. In opening the discussion, Mr. DeLeon suggested the maximum principal sum of any policy should be limited to an amouut that at five per cent would yield an income equivalent to the average of the annual earnings of the applicant, during the five years immediately preceding the application. Edson S. Lott, of the United States Casualty, expressed the opinion that there were not too many frills in policies but that insurance was made unnecessarily expensive by the dishonesty of some insurers. The addresses of Mr. DeLeon on "Over-Insurance Under Death and Dismemberment Policies," and the remedy was of much interest as was also that of T. J. Canty, of the London Guarantee and Accident, on "Litigation in Accident Insurance." At the banquet held on Thursday evening, the following spoke: Dr. Franklin H. Head of Chicago, J. V. Barry, Insurance Commissioner for Michigan; Franklin J.

Moore, of the General Accident; Chester N. Farr, Jr., counsel for the Commercial; Edson S. Lott, of the United States; Frank Butler, of the Central; Dennis Murphy and Max Cohen.

The last day of the convention was taken up largely with the politics of the association. It will be welcome news to accident insurance men generally that H. G. B. Alexander has been persuaded to accept re-election to the presidency of the association. The election resulted as follows:

H. G. B. Alexander, Continental Casualty, president; Louis T. Labeaume, Travelers Protective Association, first vice-president; John Eno, Canadian Railway Accident, second vice-president; E. G. Robinson, National Masonic Provident, secretary; Louis H. Fibel, Great Eastern, treasurer; Horace B. Meininger, the Commercial, librarian, a new office; executive committee—Walter C. Faxon, Ætna Life, chairman; Alfred E. Forrest, North American; Dr. R. S. Keelor, Philadelphia Casualty; Wilfrid C. Potter, Preferred Accident; Vincent D. Cliff, Federal Casualty; William Bro Smith, Travelers; E. W. DeLeon, Casualty Company of America; G. Leonard McNeil, Massachusetts Mutual, and George S. Dana, Commercial Travelers Mutual Accident.

The address of Walter C. Faxon, of the Ætna Life, had been looked forward to with much interest as his subject, "The Missouri Suicide Law," is one of great importance and it was well known that Mr. Faxon would treat the subject exhaustively.

William De M. Hooper, in his report for the bureau of information, showed that substantial progress had been made in the efficiency of the bureau. The bureau reported 121,462 accident claims during the year, 49,078 sickness claims and 4318 liability, making a total of 170,540. During the year a total of 17,017 persons have been reported who had previous claims against the same company, not fewer than 11,200 appearing for the second time. The bureau has on file and is continually making comparisons with 1,040,496 accident and health records, exclusive of those of the life inspection department, now numbering more than 30,000, with which all reports are compared.

In the closing hours of the convention it was plainly shown that the vote on the model policy did not by any means settle the matter and it now looks as though during the coming year the question will receive a great deal of attention and be brought out strongly at the next convention.

Surety Companies Approved on Federal Bonds.

The Government has issued a list of surety companies approved by the United States Treasury Department, to act as sole sureties on Federal bonds. The list is revised to June 24 and shows the maximum amount for which each company can become liable under the ten per cent rule, as follows: Ætna Indemnity, $73,249; American Bonding, $90,233; American Fidelity, $27,990; American Pneumatic Service, $1,670,971; American Surety, $498,976; Bankers Surety, $59,141; Cambridge Trust, Chester, Pa., $27,890; Citizens Trust and Guaranty, Parkersburg, W. Va., $42,146; Colonial Trust, Connecticut, $57,877; Commercial Trust, Missouri, $102,534; Detroit Trust, $138,150; Empire State, $86,852; Federal Union, $34,141; Fidelity and Casualty, $255,708; Fidelity and Deposit, $490,291; Fidelity Trust, Missouri, $212,987; Guardian Trust, El Paso, Tex., $30,421; Illinois Surety, $30,641; Industrial Trust, Title and Savings, Philadelphia, $116,488; Merchants Trust, Philadelphia, $60,591; Metropolitan Surety, $61,034; Missouri Valley Trust, St. Louis, $859,263; National Surety, $106,860; Pacific Surety, California, $36,247; People's Surety, $58,778; Pennsylvania Surety, $29,000; Southern Surety, Oklahoma City, $45,105; Title Guaranty and Surety, $124,443; Union Trust, Pittsburg, $2,501,946; United States Fidelity and Guaranty, $205,876; United States Guarantee, $54,539; United Surety, $60,370.

Casualty Notes.

—The United States Health and Accident has entered Utah.

—Liability companies operating in the State of Washington have materially advanced rates on saw and shingle mills and other wood working plants. The change goes into effect August 1.

—The Cosmopolitan Relief Association of Philadelphia has reincorporated on a joint stock basis. The title of the company has been changed to the Cosmopolitan Industrial Insurance Company.

—The Mutual Accident Insurance Company of Indianapolis has been licensed to do business in Indiana, under the assessment laws of 1897. The company will write accident and health insurance. The incorporators are A. F. Shafer, A. L. Sarran, G. E. Varney, A. A. Currie and F. F. James.

—The Union Accident and Casualty Company is being organized in Philadelphia with an authorized capital of $500,000. James A. Flaherty is to be the president of the new company, the organization of which is in the hands of Walter J. Hardy. Offices have been opened in the West End Trust building.

—Governor Woodruff of Connecticut has signed the act appointing a commission on employers' liability legislation with instructions to report a bill to the next General Assembly of 1909. The commission consists of Edward M. Day of Hartford; E. A. Allen Moore of New Britain, and Charles J. Donohue of Derby.

—The Inter-State Accident Insurance Company has been incorporated at Birmingham, Ala., by the Birmingham Mortgage and Trust Company and others. The company will issue certificates upon the birth or death of children, marriage, sickness or death of any member, the policies to be paid from fees, dues and assessments. W. D. Wood is president and J. H. Dean, vice-president.

—E. B. Fatch, formerly manager of the Standard Life and Accident in Chicago, and later manager of the company in the agency of Moore, Case, Lyman & Herrick, has been chosen manager of the casualty department of the H. J. Ullmann & Co. agency in Chicago, which has secured the Norwich and London Accident.

—The cases of George W. Leightheimer and Thomas Collins vs. the Pittsburg, Cincinnati, Chicago and St. Louis Railway Company, have been filed in the Supreme Court of the United States. These cases involve the constitutionality of the Indiana employers liability law. Leightheimer and Collins were employes who were injured on the road and the suits were brought to recover damages on the ground of negligence of fellow employes. The railroad company attacked the law on the ground that it is a violation of contract, but the law was upheld by the State courts.

Surety Notes.

—The Percival-Porter Company have been appointed Des Moines agents of the United Surety Company of Baltimore.

—The Indiana Casualty and Surety Underwriters Association has passed a resolution against short-term cancellations hereafter.

—Walter A. Mason, former president of the Commercial and Farmers National Bank of Baltimore, whose trial came up in Baltimore last week, was acquitted by a jury after deliberating three minutes of the charge of conspiring with Olin Bryan, president of the United Surety Company of Baltimore, to defraud the Munich Reinsurance Company of $49,950. The case was practically taken from the jury by Judges Burke and Duncan, who gave an advisory instruction in which the jury was told that no evidence had been brought out by the State to show that either Bryan or Mason had conspired to defraud the Munich Reinsurance Company.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, $7; book only, $5; monthly supplement only, $2 per annum.

Atlantic City Fire Insurance Company, Atlantic City, N. J.

The semi-annual statement of this company shows a capital of $100,000, a reinsurance reserve of $14,977, and a net surplus of $69,732 (an increase of over $11,000 since January 1). Early in July, 1907, it paid its fourth semi-annual dividend of 3 per cent. In the first six months of 1907 the company's net premiums were about $17,000, while its losses were but $250. Its business is chiefly local. Charles R. Adams & Co., general managers of the Atlantic City Fire, also represent several other companies, for which they have made equally good records.

Bulgaria Insurance Company, Rustschuk, Bulgaria.

This company's statement as of January 1, 1907, shows $3,450,471 of assets, with a capital of $300,000 and a profit balance of $80,278.

Canada Mutual Fire Insurance Company, Montreal, P. Q.

This company's financial exhibit as of August 31, 1906, shows assets aggregating $130,750 (including $118,007 "deposit note capital unassessed"). The liabilities were $26,514. It reinsures two-fifths of all policies written by the Standard Mutual Fire of Toronto in the United States.

Capital Mutual Insurance Company, Wichita, Kan.

This company is being organized at Wichita, Kan., to write farm property all over the State.

Centennial State Insurance Company, Denver, Col.

The Centennial State of Denver has decided to quit business, and has made a contract of reinsurance whereby the Agricultural takes over all its outstanding risks. Under the new law of Colorado the mutual companies now in existence must incorporate as stock companies, with a capital of not less than $50,000.

Colorado Fire Insurance Company, Denver, Col.

This company will, in all probability, reorganize as a stock company, with a capital of $50,000 and a surplus of $12,500.

Continental Insurance Company, New York.

The 109th semi-annual statement of this company, as of July 1, 1907, shows $16,867,138 of assets, $7,031,544 of unearned premiums (an increase of $241,634), a net surplus of $8,001,895, and a surplus as to policyholders of $9,001,895.

Dominion Mutual Fire Insurance Company, Waterloo, P. Q.

The financial statement of this company as of August 31, 1906, shows assets amounting to $9499 and liabilities of $3702. It reinsures one-fifth of all the policies written in the United States by the Standard Mutual Fire of Toronto.

Exchange Mutual Fire Insurance Company, Philadelphia.

Manufacturers and Merchants Mutual Fire Insurance Company, Philadelphia.

Although these companies issue what purport to be the New York standard form of policies, their policies should be carefully scanned by policyholders to be sure that no unusual clauses have been incorporated in them, as their policies have been known to contain clauses which might seriously reduce the actual amount of the total insurance under such policies, or reduce the insurance upon particular items or divisions of the property insured, or might even render the entire policy void. One of the clauses referred to reads as follows:

"If the payment made by the assured at the time this policy is issued should be less than 80 per cent of the premium which would be payable on the property hereby insured for the amount of insurance above named at the rate charged by the majority of the stock companies engaged in the fire insurance business in the locality in which this risk is situated, then it is understood and agreed that the amount of insurance contracted for herein and all claims for losses thereon shall be reduced pro rata on the several and separate items thereof that the said payment bears to 80 per cent of said premium."

The effect of this clause may be illustrated by the following example:

Amount of insurance	$2,000
Premium charged by company using above clause	20
Premium which would have been charged by other companies	40
Eighty per cent of latter	32
Insurance reduced by operation of clause from $2000 to 20/32 of $2000, or....	1,250

Another clause which has been used, and, under the operation of which the insured might inadvertently void his policy, reads as follows:

"If the assured fails to make the payment in full hereinbefore named, on or before the fifteenth day of the month succeeding that in which the policy is dated, this policy shall be null and void, without any notice or other act or thing to be given or done by the company; anything hereinbefore to the contrary notwithstanding."

Fidelity Fire Insurance Company, New York.

Statement, July 1, 1907, shows: Assets, $2,570,712; unearned premiums, $465,554; net surplus, $1,045,600; surplus as to policyholders, $2,045,600.

First Bohemian Reinsurance Bank, Prague, Bohemia.

Statement as of January 1, 1907, shows assets amounting to $2,085,163, and liabilities, including $480,000 capital, aggregating $2,205,163, indicating an impairment of $120,000.

Fonciere Mutual Fire Insurance Company, Montreal, Canada.

This is a small mutual which commenced business in 1902 and is seeking surplus lines in the United States. Its statement as of August 31, 1906, shows total assets of $61,401, including $48,326 "deposit note capital unassessed," and total liabilities of $19,776.

Home Fire Insurance Company, Oklahoma City.

It is reported that this company, which recently made application for admission to the Union, will, upon recommendation of its president, change its name so as not to conflict with the Home of New York. No name has been definitely decided upon, but the Pioneer Fire may be the new title.

Home Insurance Company, New York.

The semi-annual statement of this company shows that on July 1 it had $20,717,752 of assets, a capital of $3,000,000, unearned premiums aggregating $8,845,912 (an increase of over $350,000 since January 1), and a net surplus of $6,823,853, thus indicating a surplus as to policyholders of $9,823,853.

Illinois National Fire Insurance Company, Springfield, Ill.

As of May 14, 1907, this company's statement showed assets aggregating $161,321, with $100,000 capital and a net surplus of $35,024. Among the assets were $13,700 of stock of the First National Bank of Mansfield, Ill., carried at par; $30,000 in bonds of the Cincinnati, Bluffton & Chicago Railroad, carried at par, and $33,400 in interest-bearing certificates of the American Trust and Savings Company of Springfield, Ohio. The latest available report upon the First National Bank of Mansfield gives its capital as $25,000, and shows that it had $5000 of undivided profits. W. D. Fairbanks is its president. The railroad above mentioned was at one time in charge of a receiver, but the receiver has been discharged, all claims against the railroad having been satisfied, and the road appears to be upon a safe financial basis. The American Trust and Savings Company, of which N. H. Fairbanks is president, was organized in 1907, with a capital of $200,000.

The Illinois National is now being examined by the Illinois Insurance Department. Brown, Anderson & Young have been appointed Chicago agents to succeed S. Foster, and Lebo, Anderson & Young of Chicago are the company's general agents for surplus lines.

Iowa Manufacturers Insurance Company, Waterloo, Ia.

This company has decided to pay in its capital by January 1, 1908.

Merchants Transportation Insurance Underwriters, Chicago.

Alfred Erger, associated with A. H. Wildell, and O. F. Reich are reported as having organized the above-named Lloyds for the purpose of guaranteeing the proper dispatch of mailed packages.

Nationale Insurance Company, Paris, France.

The statement as of January 1, 1907, of this company showed $6,100,998 of assets, including $1,500,000 of stockholders' notes; a capital of $2,000,000; unpaid dividends aggregating $485,664; a capital reserve of $1,000,000; a contingent reserve of $950,000; a premium reserve of $666,203 and a profit balance of $1029.

Pine Forest Fire Insurance Company, Charleston, S. C.

This company has its capital and surplus fully subscribed, and it is expected it will be writing business in August. J. C. Hipkins & Co., of New York city, have been appointed general agents of the company, covering all territory north of the Ohio and east of the Mississippi rivers.

Queen City Fire Insurance Company, Sioux Falls, S. D.

Assets, April 30, 1907, $650,115; capital, $200,000; net surplus, $190,001.

Roger Williams Fire and Marine Insurance Company, Providence, R. I.

This company, which was chartered in January last with an authorized capital of $200,000, has a paid up capital of $100,000 and $50,000 surplus. It is at present transacting surplus line business only, writing at tariff rates. The officers are: President, Wm. H. Hall; vice-president, Clinton S. Gamewell; secretary, Walter S. Ingraham; treasurer, Edward E. Morgan. Arthur T. Parker of North Attleboro is general manager, and the business of the company is conducted at the office of Gamewell & Ingraham, of Providence.

Seaboard Fire and Marine Insurance Company, Galveston, Tex.

The statement of this company dated June 30, 1907, shows admitted assets aggregating $363,528; a paid-up capital of $250,000, and a net surplus of $59,980, the surplus to policyholders thus being $309,980. Since January 1, 1907, the company has made gains as follows: Assets, $21,097; reinsurance reserve, $20,900; net surplus, $3202. Its net premiums in the first half of 1907 were $66,075 ($36,392 more than in first half of 1906), and the losses incurred amounted to but 27.4 per cent thereof, with an expense ratio of 46.3 per cent.

Skandinavia Reinsurance Company, Copenhagen, Denmark.

As of January 1, 1907, this company's statement showed $1,318,851 of assets, including $589,725 of stockholders' notes; a capital stock of $750,000, and a balance forward of $5168.

Soleil (Sun) Insurance Company, Paris, France.

This company's balance sheet December 31, 1906, showed $5,520,139 of assets, and, after providing for $1,200,000 of capital and all liabilities and reserves, inclusive of $360,000 for dividends to stockholders, there remained a balance of $1910 to be carried forward.

Standaard Insurance Company, Amsterdam, Holland.

The statement of this company as of January 1, 1907, shows $720,306 of assets (including $300,000 of stockholders' notes), a capital stock of $400,000, premium and loss reserves aggregating $281,192, a special reserve of $20,000, a "reserve fund" of $12,609, and $6504 of unpaid dividends.

Stanstead & Sherbrooke Mutual Fire Insurance Company, Sherbrooke, P. Q.

This company commenced business in 1835, and is reported to be seeking surplus lines in the United States. Its financial statement as of August 31, 1906, showed assets amounting to $621,247, including $496,151 "deposit note capital, unassessed." Its net premium receipts for the year ended August 31, 1906, amounted to $81,074 and its net losses to $39,964.

Union Fire Insurance Company, Paris, France.

On January 1, 1907, this company's assets aggregated $6,735,460, exclusive of $23,445,170 of premiums on term policies to be collected in future years, but including $1,500,000 of stockholders' notes. Its capital stock was $2,000,000, and, after providing for all liabilities, including $286,675 of unpaid dividends, a balance of $102,330 was carried forward.

Upper Canada Fire Insurance Company, Toronto.

Harry Richmond of Toronto, formerly with the Toronto Board of Underwriters, is organizing the Upper Canada Fire, a stock company, to have headquarters at Toronto. It will probably enter the United States for direct business.

Washington Fire Insurance Company, Seattle, Wash.

The collateral loans and securities therefor of this company, on December 31, 1906, were as follows:

Securities.	Market Value.	Amount Loaned.
Preston Mill stock	$8,000	
Notes, F. O. Nelson	1,350	$5,000
Timber contracts	6,000	
Note, A. Larson	600	
Grace Mill Company stock	31,200	7,929
Tarboo Shingle Company stock	16,500	6,000
Brown & Kuzze Company stock	9,000	3,850
Arlington Boom Company stock	4,000	
Puget Sound Tent & Duck Company stock	23,680	9,000
New York Life Insurance Company policy	3,040	2,500
State Life Insurance Company policy	470	400
Totals	$103,840	$34,679

The bonds and stocks owned were as follows:

Securities.	Par Value.	Market Value.
State Capitol bonds (Wash.)	$40,000	$40,000
First National Bank, Seattle	5,000	12,000
Northern Life Insurance Company stock	500	500
Pacific Coast Fire Insurance Company stock	1,000	1,000
Burlington Electric Company stock	800	800
Carstens & Earles, Inc., stock	30,000	30,000
Totals	$77,300	$84,300

TOO LATE FOR CLASSIFICATION.

Aetna Accepts Marine Authority.

The stockholders of the Ætna of Hartford have unanimously voted to accept the marine privileges given them by the general assembly as a charter amendment. Henry E. Rees, secretary, in explanation of the matter said:

Our charter has given us permission to do what we call an inland marine business, which confines our liability to waters within five miles of the coast. In insuring vessels under the inland cover they frequently go beyond this limit and get out into the ocean, and it was much safer that we should have the privilege of doing what is known as ocean marine, so that in the event of vessels going beyond the limit of the five miles our charter rights would protect them. It is not our purpose, at the present time, to engage in ocean marine business.

Official Changes in the Westchester Fire.

The directors of the Westchester Fire of New York on Tuesday elected M. O. Brown, vice-president; John H. Kelly, secretary, and Otto E. Schaefer, assistant secretary. Mr. Brown has been with the Westchester since the time of the Chicago fire, having gone with it as Western general agent and becoming secretary when the late John Q. Underhill retired from that office several years ago. Mr. Kelly, who has been assistant secretary for some years, joined the Westchester twenty-four years ago. Mr. Schaefer entered the office as a boy and has recently been chief examiner. The promotions are in recognition of the excellent services which have been rendered the company by the new officers in the past, and are thoroughly deserved.

—P. M. Starnes, former president of the National Life of the United States of America, is a candidate for the presidency of the recently organized Universal Life of St. Louis.

—According to advices from Texas dated July 14, the following life companies have withdrawn from the State: Columbian National, Des Moines Life, Equitable Life of New York, Fidelity Mutual, Germania Life, Home Life of New York, Manhattan Life, Massachusetts Mutual, Mutual Benefit, Mutual Life of New York, National Life, Montpelier, New York Life, Northwestern Mutual, Penn Mutual, Prudential, Reliance Life, Security Mutual, Travelers, Union Mutual, Washington Life, Wisconsin Life.

—The stockholders of the Metropolitan Surety Company have approved the reduction of the capital stock from $500,000 to $250,000. This gives the company a surplus of about $190,000. In view of the fact that the shrinkage in the assets of the company, as shown in the recent examination, was largely contributed to by the depreciation in New York City bonds held by it, Comptroller Metz has decided not to enforce the $500,000 capital and surplus requirement of his office in this case, and will continue to accept the Metropolitan as surety on city business.

—The Florida Life Insurance Company announces the election of Dan. G. Pleasants as assistant secretary of the company, and also his appointment as agency director. Mr. Pleasants has been with the Florida Life from its first month of business, and has been largely instrumental in the success it has attained. He came to the Florida Life from San Francisco, severing there a connection with the Metropolitan Life of over thirteen years. His earliest insurance experience was with the New York Life in Tennessee. With Mr. Pleasants at the head of the agency department, the officers and dirctors of the company may confidently look forward to a steady increase in business, as he is well known as a competent insurance field man.

"Hall on Insurance Adjustments."

The above is the title of a compact and systematically arranged book, by Thrasher Hall, published by the Rough Notes Company, relating to the adjustments of fire losses in cases in which there has been no breach of the policy conditions prior to the fire. It summarizes the opinions of the courts of last resort upon points as to which disputes have arisen, and are likely to arise in future, citing many hundreds of cases which may be referred to when the full decisions are desired. A few of the matters interpreted are: Direct loss; cash value; option of insurer to take insured property; option to repair or rebuild; fraud and false swearing; duty to protect property; fall of building; explosion; loss by ordinance regulating repairs; notice of loss; proofs of loss required; magistrate's certificate; examination under oath; production of papers, etc.; arbitration and appraisal; other insurance. There are also explanations of apportionment of non-concurrent and compound policies; definitions; illustrations of erroneous adjustments; hypothetical statements of loss and method of showing profits; depreciation in relation to profits; sample accounts; an accurate method of apportionment; suggestions as to the treatment of fraud losses; tables of weights, measures, etc. The book contains 160 pages, is handsomely bound in black, flexible leather, and may be procured through The Spectator Company, 135 William street, New York, at $2 per copy.

THE SPECTATOR:

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VOL. LXXIX. *THURSDAY, JULY* 25, 1907. No. 4.

THE two bills introduced in the legislature by Senator Fancher, supposed to correct some of the evils of the insurance legislation of last year, were signed by Governor Hughes last week. The changes are of little importance, except as they relate to future elections of trustees of mutual life insurance companies. It is provided that the lists of policyholders shall be filed with the Superintendent of Insurance six months before the election, and the lists shall be open for inspection under such regulations as the Superintendent may prescribe. There was an attempt to incorporate a clause in the bill prohibiting agents and other representatives of the companies from soliciting votes of policyholders in favor of the administration candidates for trustees, but this was modified so that the prohibition only extends to "business hours." At other times they are free to exercise their rights as American citizens, and work for the election of any candidates they may prefer. As the law does not prescribe what are "business hours," and the work of agents is on a sort of go-as-you-please basis as regards their time, this feature of the law will scarcely serve as a restraint upon them. It is provided that at the annual election in 1908, trustees shall be elected for one year to fill the vacancies caused by the withdrawal of those whose terms of office then expire. At the election in 1909, and biennially thereafter, a full board of trustees is to be elected to serve for a period of two years. There is apparently but little improvement in the details regarding the elections over those that prevailed at the recent elections, which caused so much dissatisfaction to policyholders, company officers and the public, causing much ridicule to be heaped upon the makers of such bungling and inconsistent laws. The companies were subjected to an unnecessary expense that exceeded over a million of dollars, which is a direct loss to their policyholders. The preparation of the lists of policyholders as required is a task requiring the services of a large force of clerks for at least six months, and the changes are so frequent and so numerous that a list made to-day will have many inaccuracies to-morrow. A more cumbersome, unnecessary and farcical requirement was not exceeded by any other enactment that the Armstrong committee last year forced the legislature to pass.

A SENSIBLE view of the reinsurance question is taken by Attorney-General E. S. Clark of Arizona, in response to an inquiry as to the validity of the new law (Chapter 82, Laws of 1907, Sec. 2) prohibiting reinsurance of Arizona risks by a licensed company in a company not authorized to write in Arizona. Mr. Clark considers that the law in question improperly limits the right of contract. His opinion is as follows:

> I am of the opinion that said section is invalid and cannot be enforced. To say that an insurance company cannot contract with another company or association to assume a part or all of the liability it may have accepted on property in this territory, simply because the reinsuring company has not complied with the laws of Arizona, is an unjustifiable restriction on the right of the insuring company to contract. It might be different if the contract relations between the insured and insurer were in any wise modified by such a reinsurance, or if the responsibility of the insurance company were shifted or relieved, or if the Territory should lose some of the premiums it now receives from the gross receipts of insurance companies on policies written on property situated in the Territory. But whether there is reinsurance or not, the contract between the insurer and insured remains the same. If a loss by fire occurs the insured looks only to the original insurer and does not know or look to the reinsuring company. The insuring company pays the same premium in the Territory whether it reinsures or not. Inasmuch as the original contract is not impaired by the reinsurance and the Territory suffers no loss, and is in no wise interested, there seems to be no ground upon which such a drastic limitation upon the right of a corporation to contract can be justified. I advise you, therefore, that the provisions of this section cannot be enforced, and may be treated by your office, as they will by this, as null and void.

Perhaps the authorities of other States in which laws forbidding reinsurance in unauthorized companies have been enacted, may be induced to take a similar view of such legislation. So long as the people of the State are protected, and deal with regularly licensed companies, and the direct-writing companies pay the taxes on all business written, it would appear to be unnecessary, and even unjust, to enforce a law of this nature. State legislators would do well to keep in mind that section of the Constitution of the United States which provides that "No State shall * * * pass any * * * law impairing the obligation of contracts."

THE contingent commission is a subject which is of growing interest among fire insurance agents, particularly in the South. In theory, the commission contingent, in part, upon the profits made by the agent for the company, is a good thing for both parties; in practice, it might not work out just as it should. If the agent represented a single company, or if he religiously divided up among all his companies every risk he wrote, so that each should be equally interested and would fare exactly as did each other company, the companies would probably be quite willing to pay a low flat commission, plus an agreed further percentage if the agency made a profit for the companies represented. But, in the absence of the limitations mentioned, company officials fear that, once a particular company in an agency had sustained a loss which eliminated it from the profit-making class, it would be slighted when the good risks came in, and would be used as a slop-

bucket for the dubious ones, while the companies for which a profit might yet be made would be favored with the cream of the business, in large volume. It would be almost too much to expect of the rank and file of agents (who are simply human beings and in hard chase after the elusive dollar), that they should continue to give the usual quota of good business to a company for which it was impossible to make a profit (with the consequent commission), when the same business, placed in a company which had as yet suffered little or no loss, would stand a good chance of yielding a juicy contingent commission to the agent. Until some way can be devised of preventing this discrimination between the companies in any given agency, it is scarcely to be seriously anticipated that the majority of company managers will consent to the introduction of the contingent commission plan of compensation. However good the system may be, in the abstract, and even granting that, in many instances, it would work out fairly and beneficially to both the company and its agent, some scheme for insuring equity between companies must be evolved before the advocates of the plan can reasonably hope for its general adoption by the companies.

THE treatment of consumptives is attracting more and more attention among all civilized nations at the present time than ever before. The "great white plague," as it is termed, is responsible for more deaths annually than any other disease, and as it is declared to be preventable, scientists and philanthropists are doing their utmost to eradicate it. In New York there is a "Committee on the Prevention of Tuberculosis," which is doing effective work in this direction. It is composed of a large number of prominent physicians and wealthy men, who work among the poor, seeking to induce them to adopt the means of prevention they recommend, and to enforce better sanitary conditions among them. The open air treatment is found to be efficacious in curing incipient cases, and where patients can be removed to the country and induced to remain in the open and breathe pure air day and night, excellent results are obtained. But there are thousands suffering from tuberculosis who cannot leave the city, and for them the city is establishing day camps, where patients can spend their days in a pure atmosphere, receive such treatment as is desired, and advice as to the sanitary condition of their homes. The committee has secured the old ferry boat Southfield, and fitted it up for such a camp, where patients are received and treated gratuitously by the attending physicians and given such nourishing food as their condition requires. In Boston such a day camp has been in existence for three years, and now has seventy-five patients in daily attendance. The New York committee appeals to the public for contributions to maintain their day camp, and to establish others, the necessity for them being very great. Such an appeal should certainly meet with a liberal and prompt response.

ONE of the disastrous results of the Armstrong Committee's insurance investigation and the crude laws enacted at the demand of that body was the throwing out of employment of a large number of agents, who had relied upon the business they could do for the means of supporting their families. The law limiting the amount of insurance a company might write affected the larger companies, and they were forced to dispense with the services of many agents who had served them faithfully for long periods. The smaller companies, that were not affected by the limitation law, lost many agents because of the prejudice excited by the sensational press against life insurance in general. Those agents, however, who had an interest in the renewal of their business from year to year were less affected than were those whose compensation was derived exclusively from the first year's premium. The agents having renewal contracts were able to live upon the income accruing from their previous work, and were not entirely dependent upon securing new business. As a consequence, they remained loyal to their companies and continued to serve them to the best of their ability, while the flat commission men were looking for other employment. Those who regarded "a bird in the hand worth two in the bush" found that the old axiom was not a safe rule to follow. The renewal commission plan, in certain exigencies, seems to work to the advantage of both company and agent, enabling the latter to build up, in the days of his greatest activity, a business that will yield him a steady and absolutely sure income for the future; and securing to the company permanent and successful representatives.

STATISTICS showing the premium receipts of the fire insurance companies in San Francisco in the first six months of the last three years, as compiled by The Pacific Underwriter, show a remarkable growth in 1907 over both 1906 and 1905. Notwithstanding the fact that several companies have ceased writing in San Francisco, and that the figures of a number of others are also missing from the 1907 list, the premiums in the first half of this year were $2,891,636, against $1,604,475 and $1,606,204, respectively, in the corresponding periods of 1906 and 1905. Many companies have doubled or trebled their previous business this year, and there are occasional instances of far greater growth, such as from $18,302 in 1905, to $311,726 in 1907; from $30,525 in 1905, to $260,320 in 1907; from $5469 in 1905, to $86,121 in 1907, and from $28,496 in 1905, to $147,870 in 1907. On the other hand, several companies have greatly reduced their writings, but still others have begun business this year in San Francisco and more than made up for such decreases. As losses do not appear to have been unusually heavy this year in San Francisco, there seems to be a good prospect for a reasonable profit there at present.

DURING the last two months there have been numerous windstorms throughout the country, which have done hundreds of thousands of dollars of damage to property, besides causing a considerable number of deaths. Among the most destructive were those at Wills Point, Tex., on May 25; near Aida, Neb., on July 7, in which one life was lost; at Louisville, Ky., and New Albany, Ind., on July 9; in Broome County, New York, on July 11, and a very severe one at Medicine Lodge, Kan., which destroyed the business portion of the town. The records of the Weather Bureau show that June is the worst month for tornadoes, destructive storms

having occurred in that month on 51 days in the last eight years, May coming next with 42 days, April third with 31 days, and July fourth with 25 days. Insurance against damage by windstorm is a class of business which is yearly increasing in volume, the premiums in 1906 having fallen little, if any, short of a million dollars. There are now 67 stock fire insurance companies which write tornado insurance, besides many local mutual associations which make a specialty of this branch of insurance. The fact that no section of the country is exempt from danger from windstorms, together with the reasonable rates charged for indemnity against loss caused by wind, should enable agents to place tornado policies with customers taking fire (and lightning) insurance, thus completely guarding the owners of dwellings and other property against the chance of losing their property by practically the only forces which endanger it. Mortgagees should require the additional protection afforded them by tornado insurance.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

On July 10 the Hon. A. B. Hepburn of New York, L. F. Dommerick of New York, and Granger A. Hollister of Rochester were elected trustees of the New York Life. to fill the vacancies caused by the death of James H. Eckels and Ewald Fleitmann and the resignation of George F. Seward.

Announcement is made by the Prudential Insurance Company that on and after August 1 only non-participating policies will be written. This is to conform with the newly-enacted legislation in New Jersey.

Another examination of the Bankers Life of New York is being made by the State Insurance Department.

The New York Insurance Department has begun an investigation of the Mutual Reserve Life, which will probably occupy several months and will cover the entire financial transactions of the company.

BOSTON AND VICINITY.

A recent visitor to Boston was Charles K. Field of San Francisco, general agent for California of the New England Mutual Life.

The Massachusetts Bonding and Insurance Company has filed its papers of incorporation with the Insurance Department. It intends to transact a fidelity, bonding and burglary business. The incorporators are William A. Gaston, president of the National Shawmut Bank, Boston; William S. Spaulding, Robert Winsor, William H. Hill, James W. Kenney, Henry B. Chapin, James J. Phelan, James M. Morrison, John T. Burnett, L. M. Friedman, Charles G. Lund, Pierce Powers, Ex-Congressman Joseph H. O'Neil, Timothy J. Falvey, William F. Fitzgerald. Warren Motley, Kennard Winsor, John C. Rice, Joseph L. Richards, C. G. Fitzgerald, Timothy J. Falvey, who was formerly Massachusetts manager of the United States Fidelity and Guaranty Company of Baltimore, will be president of the new company, and John T. Burnett will be secretary.

NOTES FROM PHILADELPHIA.

A new building society has been organized in this city which, because it started among the old guard of the Young Republicans, has been named the Old Guard Building and Loan Association. It has several new features, the most prominent of which is one which provides for insuring the lives of members without the association having anything to do with that part of the business. This overcomes the objections made when associations were adopting or considering life insurance of their members a couple of years ago, because at that time the co-operative system of such associations was in danger of being destroyed from the fact that life insurance agents had evolved a plan which allowed them to profit from lapses and deaths of members.

Three damage suits aggregating $140,000 were recently filed in the United States Circuit Court in Cambria County against the Pennsylvania Railroad by persons injured in the wreck of the eighteen-hour train between Chicago and New York, at Mineral Point, February 22, 1907. The plaintiffs are all of Joliet, Ill. John T. Clyde, postmaster, and Everett J. Murphy, warden of the penitentiary, each claim $50,000, and Henry F. Openbrink, a business man, demands $40,000.

In the recent arrest of two thieves the police of this city believe they have at last broken up an organized gang of robbers which has been particularly active in the southern section of Philadelphia. The two men confess between them to seventy-six robberies. The plunder secured by the gang must run high in the thousands of dollars, judging by the confession of one of them that he had realized more than $20,000.

On August 1, J. W. McCurley, manager of the Philadelphia office of the New York Plate Glass, will move his offices from 204 South Fourth street, where they have been for many years, to the second floor of 321 Walnut street, where he secures the additional floor space necessary to accommodate his business.

THE MIDDLE STATES.

—The Reliance Life of Pittsburg announces that hereafter all term policies issued by the company will provide for cash values, paid-up insurance and automatic extended insurance, after three or more full annual premiums have been paid.

—The controversy between J. Clayton Erb and Robert E. Forster, actuaries in the Pennsylvania Insurance Department, has been settled out of court. It is believed that of the $35,000 actuarial fees in dispute Erb got $20,000 and Forster $15,000.

THE NEW ENGLAND FIELD.

—During last week 240 was bid for shares of the Hartford Steam Boiler and Inspection Company, the par value of which is $50. The Travelers' stock advanced to $980, but no stock was offered for sale. The price bid for the Ætna Life stock was $470; Connecticut General, $225, and Hartford Life, $140.

—Moses E. Torrey of Providence, R. I., who died on July 11, was, in length of service, one of the oldest field representatives of any company in the country. Mr. Torrey became a representative of the New England Mutual Life of Boston in 1852, and shortly after was appointed general agent for Rhode Island. He resigned as general agent some forty years ago to become cashier of the Roger Williams National Bank, but still continued to actively represent the New England Mutual. Since 1889 he has also been manager for the banks of the Porvidence Clearing House. He was a man of sterling integrity, and at the time of his death was in his eightieth year.

THE WEST.

—The Columbian National Life has retired from Colorado.

—The Illinois Life of Chicago will cease operating under the Illinois registration law on December 31 next.

—The Dixie Life Insurance Company of Little Rock, Ark., is being organized by Geo. I. Barr of Toledo, Ohio.

—Thomas D. O'Brien has resigned as Insurance Commissioner of Minnesota, his resignation to take effect August 1.

—H. F. Whitcomb has succeeded Ira B. Smith on the executive and finance committees of the Northwestern Mutual Life.

—Henry W. Buttolph, actuary of the Indiana Insurance Department, has resigned as of August 1, to engage in private actuarial work.

—The Peoria Life Association of Peoria, Ill., has under way plans for reorganizing as an old line company, with a cash capital of $100,000.

—The Bankers Accident Association of East St. Louis, Ill., has been licensed by the Illinois Department to do business as an assessment life company.

—At the annual meeting of the Agents Association of the Northwestern Mutual Life, William T. Gage of Detroit was elected president; Dr. C. E. Albright of

Milwaukee, vice-president, and Frank Lynn Mann of Chicago, secretary and treasurer.

—J. J. Armstrong has resigned as Cincinnati general agent for the Pacific Mutual Life, to take the general agency for the Reliance Life in Cincinnati.

—Danford M. Baker, vice-president of the Pacific Mutual Life, will shortly make his headquarters in Chicago and supervise the Eastern field from that point.

—Henry K. Field, who for over twenty-five years has managed the California general agency of the New England Mutual Life, died recently at his home in Alameda.

—The Union Life of Madison, Ind., has been organized to write a combination industrial disability and death policy. S. M. Strader, the president, was formerly an agent of the Northwestern Mutual Life. C. R. Nicholson is general manager.

—The Pioneer Life has been organized at Fargo, N. D., with $100,000 capital. Among the stockholders are Governor John Burke, former Governor Sarles, former Chief Justice Young, several State officials and local capitalists. The headquarters will be at Fargo.

—The semi-annual statement of the Meridian Life and Trust Company shows assets of $1,104,739; liabilities, $950,438; surplus, $154,302. The company has made the following gains in the six months of 1907 over the similar period of last year: Insurance in force, $1,537,298; assets, $172,549; reserve, $156,523; surplus, $20,969.

—The Arkansas Life Underwriters Association has passed a resolution in which the members pledge themselves to support every effort to secure a prompt and energetic enforcement of the Holland bill passed by the last Arkansas Legislature forbidding all forms of discrimination among policyholders in life insurance companies.

—A special attorney of the Mutual Life of New York has gone to Lawrence, Kan., to demand the return of the $100,000 recently paid under a policy held by the late Lucius H. Perkins. If the demand is ignored, the attorney will seek to have the body exhumed, in order to have an examination made to determine if death was caused by poisoning.

—E. E. Rittenhouse, Insurance Commissioner of Colorado, has issued a circular which is in substance a warning to the public against the plans of the Republic Life of Chicago, now being organized to write insurance with agency stock and special board contract features. The Central Life Securities Company is the medium through which the Republic Life is being promoted.

—Pollak Brothers have been appointed general agents of the Pacific Mutual Life for Chicago and vicinity, the appointment to take effect on August 1. The appointment was made by Vice-President Baker, who is making his headquarters in Chicago this summer. Arthur Pollak is now with the Mutual Life of New York, and Albert Pollak has been district agent of the Northwestern Mutual Life at Kansas City.

THE SOUTH.

—The directors of the Southern States Life are considering the advisability of dropping the general agency feature of its business.

—C. C. Cook of Shreveport, La., has been convicted of operating a ten-cent-a-week insurance company without complying with the statutes. The concern was known as the American Mutual Protective Association.

—The Protective Life Insurance Company of Birmingham, Ala., has elected officers as follows: Ex-Governor William D. Jelks, president; Richard W. Massey of Birmingham, vice-president; W. W. Crawford, treasurer, and John M. Carr, director of agencies.

—Wesley H. Gregory, president of the Citizens Life of Louisville, Ky., reports that his company wrote $2,000,000 insurance last month. Mr. Gregory left on June 12 for a trip abroad, during which he visited Great Britain, France and Spain. He returned to New York last Saturday on the White Star line steamer "Celtic."

MISCELLANEOUS LIFE NEWS.

Best's Life Insurance Reports.

[TO THE EDITOR OF THE SPECTATOR.]

I have read with much interest the article in THE SPECTATOR entitled "The facts concerning Best's Special Report of San Francisco Losses." This deals, of course, entirely with the fire insurance business, but I write to inform you that I have documentary evidence to prove that in Best's reports of life insurance companies he has been guilty of misleading statements that are as glaring as those concerning the fire losses in San Francisco. Some companies that do not comply with his various requests are spoken of in a slurring, contemptuous manner, calculated to discredit them. Assets reported by them and approved by various Insurance Departments, are spoken of as of doubtful value by this self-appointed critic, who in this manner seeks to throw suspicion upon the company. In other instances flaws are picked in their policies, and fault found in their business methods. I could give you specific instances of misrepresentations made in Best's Report, but that would necessitate naming the companies, and they are not always willing to have their names printed as complainers. It is his carping criticisms, more by inference and innuendo than direct charges, that do the greatest harm, as they are calculated to throw discredit and suspicion upon reputable companies. I have it on good authority that his representatives have made the statement that he had put several fire insurance companies out of business, and that he can do the same with any life company that does not comply with his demands.

Life insurance companies are subjected to the supervision of the Insurance Department of every State, and no business is so thoroughly scrutinized and criticised, but on top of all these insurance officials comes Best, who sets himself up as the superior of all other critics, and for reasons of his own, in many cases, seeks to discredit the conduct of the companies and belittle the work of the Insurance Departments. The arrogant, self-conceit of Best is something almost sublime, and nowhere is it more conspicuous than in his reports of life companies. J. M. P.

Indianapolis, July 20.

Proposed Legislation.

The Ohio joint legislative insurance committee considered thirteen amendments to the insurance law at a meeting held on July 17, at the Chittenden Hotel, Columbus. The next meeting of the committee will be held on September 10, and will be public, at which time those interested will be invited to present their views. The committee will present its amendments at the next legislative session, which begins in January. A. I. Vorys, Insurance Commissiouer of Ohio, has given the following outline of the bills under consideration:

To provide standard forms of life insurance policies and standard provisions.

To require that agents of life insurance companies shall always be held to be agents of the company, and not of the insured.

To prohibit misrepresentation by life insurance companies, their officers and agents.

To amend the anti-rebate law so as to forbid the sale of corporatiou stock or anything else of value in connection with life insurance.

To prohibit the issue of non-participating policies by life insurance companies doing participating business.

To require that salaries of officers amounting to more than $50,000 a year shall be fixed by directors.

Forbidding a life insurance company doing business in Ohio which pays any one a salary more than $50,000 a year.

Requiring vouchers, setting forth expenditures, particularly services before any legislative or public body or department.

Regulating capital stock of life insurance companies.

Regulating reorganization of assessment companies as legal reserve companies.

Prohibiting the use of funds of life insurance companies for political purposes.

Conuecticut.—The Governor has signed the act appointing a commission on employers' liability legislation, with instructions to report a hill at the next General Assembly of 1909. The commission consists of Edward M. Day of Hartford, E. A. Allen Moore of New Britain, and Charles J. Donohue of Derby.

Wisconsin.—The following bills affecting life insurance have become laws: Limiting the expense loadiug in premiums of life companies; relating to the directors or trustees of mutual companies; amending the law relative to fees; limiting expenses; providing for the apportionment of deferred dividend surplus, and requiring reports thereof; providing a penalty for the violation of laws relating to insurance; relating to the organization of fraternals; defining certain words in relation to insurance corporations; defining certain words and phrases used in laws relatiug to life insurance; providing for the annual apportionment and distribution of surplus, and requiring reports thereof; limiting salaries to be paid to officers or employees of any domestic company doing a mutual or participating business; requiring a gain and loss exhibit; relating to agents' licenses; relating to discrimination by life companies; providing for anuual statements; prohibiting corporations or stock companies actiug as agents or solicitors; relating to the organization of domestic companies; refunding to the Mutual Life of New York the sum of $18,873 excess license fees paid during the years 1902, 1903 and 1904. The legislature has adjourned.

Florida Life Insurance Company, Jacksonville, Fla.

The Florida Life Insurance Company of Jacksonville, Fla., is one of the Southern companies that has met with remarkable success without using any schemes for selling policies. The Florida Life is a stock company with nearly 600 stockholders scattered throughout the State among the most prominent business and professional men. Sixty per cent of the banks in the State are iuterested in the company, which gives it prestige. The company is governed by a board of directors consisting of thirty-

nine prominent business men, who have all made a success in their own line of business and are thoroughly competent to invest the company's money.

The business of the Florida Life is done on the non-participating basis, making a plain, simple and easily understood contract with the insured—so much insurance for a stipulated premium, without any drawbacks or after-conditions or contingencies, the rates, of course, being much lower than those charged by compauies issuing participating policies. It is strictly an old-line, level-premium, legal-reserve company, its reserve being computed on a 4 per cent interest basis. There is no board scheme nor extraordinary device for obtaining business, but the State is well supplied with agents, who naturally receive much indirect assistance from the influential bankers and other stockholders to be found at all the principal points.

Up to the present time the Florida Life has confined its operations to the State of Florida, but arrangements are now being made to extend its business to other States in that section of the country. Its avowed policy is to be conservatively aggressive, extending its usefulness as rapidly as wise business judgment and existing conditions may dictate.

Convention of the National Association of Life Underwriters.

E. J. Clark, secretary of the National Association of Life Underwriters, has announced the programme of the Eighteenth Annual Convention of the National Association, which will be held in Toronto on August 21, 22 and 23. The official headquarters will be in the King Edward Hotel, and arrangements have also beeu made with the Queens Hotel and the Rossin House for additional accommodations. Reservations can be made through H. C. Cox, manager of the Canada Life Assurance Company, Toronto, Ont.

Round-trip tickets will be sold at oue and one-third fare where equivalent or cheaper rates have not already been arranged by the passenger associations.

The topic decided upon for the prize essay contest this year, "The Life Insurance Agent aud His Future," is perhaps the best topic that could have been selected at this time, and the number of entrants for the prize is very large.

The three topics for the usual five-minute discussious are: (1) "The Future of Life Insurance if Existing Conditions Coutinue"; (2) "Reflections and Observations ou Section 97 of the New York Laws"; (3) "How to Pick Good Meu for Sub-Agents."

The Canadian associatiou has arranged for a tally-ho drive, a sail on the lake, a garden party at a promineut citizen's residence in Queen's Park, a ladies' luncheon at the Lambtou Golf Club and the Yacht Club, and a banquet at the King Edward on the 23d. Promineut speakers have been secured for the banquet, and the convention will be participated in by prominent insurauce men from all over the United States and Canada.

Summary of Life Insurance by States.

States Reported.	Insurance in Force Dec. 31, 1905.	Insurance Written in 1906.	Premiums Received.	Losses Incurred.	Insurance in Force Dec. 31, 1906
Summary.	$	$	$	$	$
Alabama ....(Ord.)	123,359,263	32,527,642	4,769,593	1,681,200	137,932,865
(Ind.)	4,806,014	2,211,546	158,755	37,420	5,357,907
Arizona ....(Ord.)	15,921,617	4,152,785	615,142	233,083	17,838,006
Arkansas .....*(Ord.)	......	......	......	......	......
*(Ind.)	......	......	......	......	......
California .....(Ord.)	279,806,969	33,026,941	10,718,278	4,108,772	283,266,770
(Ind.)	22,781,076	10,253,241	740,677	212,367	22,798,849
Colorado ......(Ord.)	107,558,625	17,112,853	4,056,769	1,249,523	108,494,050
(Ind.)	4,871,010	1,945,895	204,033	61,360	5,530,398
Connecticut ...(Ord.)	139,159,955	17,367,105	5,700,303	2,418,357	144,041,246
(Ind.)	65,927,148	14,111,010	2,510,083	849,297	70,310,634
Delaware ......(Ord.)	19,356,809	2,796,953	767,141	200,604	19,981,581
(Ind.)	13,747,898	3,890,625	529,460	166,745	14,806,417
D. of Columbia(Ord.)	62,968,233	9,666,537	2,376,329	1,097,287	64,911,843
(Ind.)	25,462,805	6,355,042	941,052	313,413	26,204,355
Florida ....(Ord.)	50,988,581	11,751,556	1,925,215	548,498	54,599,313
(Ind.)	177,548	437,789	10,145	1,299	364,208
Georgia ....(Ord.)	198,560,798	46,667,980	6,914,576	2,983,412	216,207,593
(Ind.)	11,218,096	6,767,757	420,397	112,259	13,600,069
Hawaii ....(Ord.)	13,020,577	2,360,305	504,948	112,354	13,609,253
Idaho ....(Ord.)	21,001,060	3,114,276	1,021,831	182,419	19,358,327
Illinois ....(Ord.)	737,697,120	111,790,879	27,379,574	8,603,040	773,035,469
(Ind.)	128,784,079	39,627,195	4,727,395	1,227,583	135,611,783
Indiana ....(Ord.)	275,439,879	55,639,336	10,113,096	2,742,314	283,407,172
(Ind.)	60,796,493	19,581,383	2,302,824	523,061	65,679,516
Ind. Ter.......(Ord.)	16,439,710	5,439,517	644,985	306,544	16,893,757
(Ind.)	28,965	30,750	752	13	14,440
Iowa ....(Ord.)	205,875,538	25,353,248	6,883,278	1,780,827	207,311,166
(Ind.)	10,628,653	4,281,409	372,360	74,419	10,835,354
Kansas ....(Ord.)	103,700,992	20,026,574	3,835,789	777,876	108,359,390
(Ind.)	10,652,464	4,516,601	393,539	90,628	11,900,954
Kentucky .....(Ord.)	200,498,884	35,612,484	6,652,974	2,769,648	205,727,318
(Ind.)	45,270,447	16,738,547	1,699,852	552,412	49,416,450
Louisiana .....(Ord.)	130,556,629	16,918,797	4,813,088	1,449,232	135,056,578
(Ind.)	22,031,542	6,903,817	875,078	258,691	24,600,745
Maine ....(Ord.)	90,837,260	9,247,466	3,503,441	1,256,564	92,495,055
(Ind.)	11,896,264	3,072,783	406,438	105,681	12,230,475

SUMMARY OF LIFE INSURANCE BY STATES—Continued.

States Reported.	Insurance in Force Dec. 31, 1905.	Insurance Written in 1906.	Premiums Received.	Losses Incurred.	Insurance in Force Dec. 31, 1906
Summary—*Cont.*	$	$	$	$	$
Maryland .....(Ord.)	147,088,955	17,297,297	18,800,706	2,468,874	138,036,197
(Ind.)	70,493,993	18,740,533	2,873,697	925,228	74,606,924
Massachusetts (Ord.)	541,670,337	78,690,502	22,438,370	8,749,209	555,893,665
(Ind.)	194,878,449	56,317,131	7,516,251	2,487,778	208,251,531
Michigan ......(Ord.)	241,032,290	33,727,308	9,309,587	3,129,832	244,650,236
(Ind.)	29,385,835	11,052,565	1,052,996	245,013	31,648,533
Minnesota ....(Ord.)	186,107,450	23,895,271	6,845,283	1,755,861	188,606,067
(Ind.)	8,811,024	3,200,531	325,863	71,938	9,571,903
Mississippi ....(Ord.)	90,739,482	18,188,431	3,347,292	1,296,717	96,822,085
Missouri ......(Ord.)	346,477,095	59,366,329	12,467,341	3,934,681	358,645,236
(Ind.)	90,872,045	26,449,696	3,280,898	933,074	95,949,709
Montana ......(Ord.)	42,423,501	5,553,097	1,518,486	204,973	41,607,048
(Ind.)	1,264,224	776,567	43,130	9,564	1,362,167
Nebraska ......(Ord.)	98,005,020	16,534,683	3,474,839	903,662	102,693,679
(Ind.)	4,422,152	1,761,609	160,891	35,156	4,615,863
Nevada ....(Ord.)	8,669,868	1,745,578	330,780	101,786	8,584,753
N. Hampshire (Ord.)	48,930,787	5,283,876	1,866,834	790,728	49,360,495
(Ind.)	10,802,000	3,035,523	376,089	117,735	11,351,106
New Jersey....(Ord.)	299,666,561	50,934,228	10,043,295	4,405,963	315,456,749
(Ind.)	213.045,254	43,071,993	8,241,073	2,823,638	225,624,490
New Mexico...(Ord.)	17,875,760	3,130,499	544,835	168,760	18,361,552
New York.....(Ord.)	1,555,350,006	186,739,687	62,493,542	22.527,621	1,596,361,772
(Ind.)	552,263,459	118,890,581	20,559,717	7,892,495	575,477,860
North Carolina (Ord.)	109,649,012	22,896,203	3,740,217	1,198,737	116,843,191
(Ind.)	11,841,305	7,147,047	485,655	123,252	14,258,073
North Dakota (Ord.)	36,521,094	6,807,633	1,324,685	223,184	38,250,663
Ohio ....(Ord.)	573,835,696	76,614,445	22,535,276	6,787,222	565,727,620
(Ind.)	138,841,638	38,023,820	4,349,619	1,500,405	148,126,423
Oklahoma .....(Ord.)	25,760,098	9,869,528	954,145	149,778	29,963,064
Oregon ....(Ord.)	54,128,048	10,741,208	2,068,334	351,757	56,214,920
Pennsylvania (Ord.)	1,069,360,066	154,697,807	40,732,493	15,704,814	1,106,920,268
(Ind.)	357,877,595	84,173,587	13,442,399	4,091,270	376,134,135
Rhode Island (Ord.)	68,031,715	7,989,595	2,661,351	1,151,939	70,044,733
(Ind.)	40,500,382	9,517,197	1,549,494	522,056	42,831,107
South Carolina (Ord.)	84,438,846	20,740,435	2,937,100	899,316	95,105,056
(Ind.)	8,657,728	4,898,191	349,289	87,212	10,269,022
South Dakota (Ord.)	34,199,666	7,065,428	1,219,876	212,992	35,701,092
Tennessee .....(Ord.)	130,261,872	25,896,329	4,827,849	1,709,358	137,414,192
(Ind.)	22,165,289	12,039,933	1,085,215	316,018	25,567,310
Texas ....(Ord.)	255,768,517	59,299,412	9,050,345	3,076,082	271,296,448
(Ind.)	8,048,320	4,766,102	250,986	49,767	8,522,873
Utah ....(Ord.)	33,849,931	7,003,848	1,170,130	249,193	35,049,912
(Ind.)	1,641,515	886,495	59,307	8,051	1,941,639
Vermont ......(Ord.)	53,230,017	5,404,112	2,380,080	735,033	49,366,877
(Ind.)	4,783,844	1,740,144	170,330	34,447	5,078,886
Virginia ....(Ord.)	138,538,773	20,095,505	5,176,066	1,588,787	145,205,580
(Ind.)	29,423.233	9,987,194	1,155,269	376,098	32,769,884
Washington ...(Ord.)	77,301,779	18,112,141	2,988,280	565,077	82,247,677
(Ind.)	3,682,956	1,636,688	125,537	20,587	3,883,526
Vest Virginia (Ord.)	68,413,151	12,961,068	2,537,219	751,557	72,639,723
(Ind.)	9,252,411	4,372,902	335,456	80,024	9,803,247
Wisconsin ....(Ord.)	228,380.427	24,079,880	8,021,053	2,933,875	221,615,481
(Ind.)	11,753,643	3,031,661	405,547	73,157	12,379,106
Wyoming .....(Ord.)	12,808,576	1,827,881	445,019	95,541	12,921,074
Totals ...(Ord.)	9,471,266,543	1453,762,321	371,445,602	123,327,526	9,769,143,463
(Ind.)	2,263,787,531	996,248,482	82,686,385	27,410,627	2,399,286,482
Canada ....(Ord.)	596,942,874	74,982,049	20,796,296	8,529,702	611,056,308
(Ind.)	38,883,966	19,994,304	1,555,930	290,993	44,690,265

* No report.

President Kingsley's Letter to New York Life Policyholders.

Under date of July 12, 1907, President Darwin P. Kingsley issued the following letter to the policyholders of the New York Life Insurance Company:

In assuming the responsibility of chief executive officer of the New York Life, I have been greatly encouraged by many assurances of good will and confidence, not alone from the working force of the company, but from the policyholders and the press. For all these expressions I am sincerely grateful.

Life insurance undoubtedly is entering upon a new phase of its development. For fifteen years the New York Life has been so related to the growth of life insurance that of necessity it must sustain important relations to the developments of the new period on which we are entering. The fifteen years just passed have been years of expansion, development and solid growth. This has been true of all progressive life companies, and it has been strikingly true of this company. The New York Life, beyond any other similar institution, carried the benefits of life insurance to all the world. It erected as a necessary part of its development a great financial plant, the solidity of which is attested by the fact that at the date of my election as president there was no interest in default on its bonds amounting to $354,000,000 par value, and no interest in default on its mortgage.loans aggregating nearly $45,000,000. In the location of its business, in the sources of its income and in the dissemination of its obligations, the company is distinctly international. That our development was wise has been disputed, and the State of New York has enacted laws which have stopped that expansion, and may result in a period of reaction. We, on the other hand, hold that whether the company is larger or smaller, whether it is national or international in its interests and activities, is material if it can be shown that the one condition or the other favorably affects the interests of its members. If the company can better serve its members by a still further expansion in its business, then it ought to be allowed to expand. If experience proves that we can better serve the interests of the policyholders by a decrease in our outstanding risks and a lessening of our activities, then that ought to be the fixed policy of its officers. All experience thus far, however, shows that the useful life insurance company is progressive. Progress may take on a variety of forms, and all in their way may be good. I profoundly believe that life insurance management should take its cue from the idea of life insurance itself. A man cannot insure himself; the vicissitudes of life compel him to join his resources and the value of his life with other lives in order to secure for his dependents some degree of certainty, in order that the shock and loss produced by death may be mitigated. How far should he go in seeking other lives with which to make this defensive alliance? Experience teaches him that business, and even communities, face at times the same conditions that menace the individual. Property values go up

and down over considerable areas for considerable periods of time. That life insurance structure is certainly well planned and probably well built, which rests on risks widely placed and securities so varied in their character that they will necessarily be less affected by considerable fluctuatians locally in property values.

In putting an arbitrary limitation upon the amount of business which this company may do in any year, I believe the State of New York has made an economic mistake. I believe all such legislation to be fundamentally unsound. We ought in the interests of the policyholders, and in order to carry out what seems to me to be the broadest and the safest and the soundest theory of management, to be permitted to do what business we can normally within the limit of expenses fixed by law. The great plant which now exists, erected soundly and at considerable cost, ought to be fully utilized in order to return full value to our insured.

The men who planned the company believed that there was not only unequaled strength and permanency in a world-wide institution, but that there was economy. I believe they were correct in their assumptions. If, however, we learn from larger experience that they were wrong, and that a life insurance company can better serve its members if it has only one thousand millions of insurance instead of two thousand millions, if it operates in only one country instead of all the countries of the world, then I shall be quick to recognize that fact, and shall act accordingly.

In undertaking this great work, I desire to call the policyholders' attention to three existing conditions, and to discuss our relations to those conditions.

First.—Hostility has lately sprung up in the minds of many people against corporations, especially against corporations of great size. I cannot here discuss the reasons for this. It is sufficient for my purpose to say that corporations of great size must justify themselves. They must show affirmatively that they are an advantage to the people and not a disadvantage; that they are for the benefit of society, and, therefore, to be fostered and protected. The policyholders in this company, for example, should regard it not as a corporation merely,—something outside themselves, unapproachable and possibly more or less unfriendly. They should regard it as their property, because, with due regard to the rights of all the other members associated with them, the New York Life Insurance Company is their property. So far as in me lies, the affairs of the company will be so conducted that fair-minded policyholders will believe in it, and it will turn to the officers for information when information is desired. Few accomplishments are possible by mere administration which will be of more permanent value to the insured.

The second condition to which I refer is this:

The New York Life is a purely mutual institution. All of its members, under regulations and conditions prescribed by law, have a right to vote for directors. As a natural part of the development of the company, and to comply with the law regulating its solvency, we have accumulated upwards of five hundred millions cash assets. The institution takes on the dimensions and the importance of a free State governed by its constituent members through the right of franchise. As the company increases in importance, as its assets roll up, the necessity for the policyholder to be level-headed and to have an intelligent comprehension of the affairs of the company equally increases. The strength of the institution, indeed the very things that make its contracts desirable, put a responsibility upon the policyholders second only to that which rests upon the directors and officers.

The third condition is: The constantly increasing burden put upon policyholders by legislation which usually takes the form of taxation. In 1906 these taxes (excluding taxes on real estate) amounted to almost $1,000,000. This is a constantly increasing expenditure. If any tax which takes away a portion of the premiums paid can be held to be a proper tax, payments on this account have now reached an unreasonable sum, and have become not only a source of great injustice to the thrifty, but a positive menace to administration. The remedy lies largely with the policyholders. In almost every line of business hostile legislation is at once met by vigorous protests from those whom it most directly affects. A proposal to tax life insurance premiums is a proposal to increase the cost of life insurance to the consumer. Such taxes are levied because the policyholders are not likely to protest. It is time the policyholders did protest. It is time, for example, that the policyholders in this company realized that the taxes of this character paid in 1906 would otherwise have been included in the dividends of the year or credited to dividend account. Mutual life insurance is not conducted for profit, and its premiums are not a proper subject for taxation of this sort. The administration will need as never before the co-operation of all policyholders as against the increasing tendency to levy taxes of this kind. I ask all the policyholders, therefore, to bear this in mind, and, especially in matters of legislation, to aid the management, in order to secure from Legislatures the "square deal" to which every man is entitled.

So far as a definite programme can be laid down in connection with questions which do not take form until they arise, and which take on an almost endless variety from year to year, my plan involves these points:

First.—Strict economy.

Second.—The widest, fairest and fullest publicity.

Third.—An administration which will aim to continue the New York Life as a world-wide institution, utilizing the strength which it has already drawn from that condition, and endeavoring to hand on the same benefits to future generations.

Fourth.—Such an amount of new business under the law as we can secure while practicing intelligent economy and enforcing the idea that the interest of the policyholder is paramount.

The New York Life has had a marvelous history during its sixty-two years of corporate existence. Based upon a principle and a charter, it has grown to be the largest life company in the world in respect of annual income, annual benefits to policyholders, annual new business and amount of insurance protection furnished. It was never better prepared to serve its policyholders than it is to-day. The possibilities of its future usefulness present a picture which may well stir the ambition of any man. I undertake this great commission untrammeled by any obligation to any outside interest. With your sympathy and support I hope to advance the usefulness of what has been called "the first business of the world," and to make the New York Life all that its creators planned it to be—all that its high professions and possibilities demand it should be.

—The Protective Life Insurance Company of Birmingham, Ala., duly organized, advertises in another column for a secretary, age about thirty-five years.

Acknowledgments

—Proceedings of the Insurance Institute of Toronto, 1906-1907.

—Rhode Island Insurance Report, Part II., covering life and accident lines.

—The preliminary report of the Insurance Commissioner of Texas has been received.

—Annual report of the Insurance Department of Louisiana, covering the year ended December 31, 1906.

—Reports of the Registrar of Friendly Societies of Great Britain for the year ending December 31, 1905.

INDUSTRIAL INSURANCE

Industrial Agents Organize.

About one hundred delegates from New England gathered in Faneuil Hall, Boston, last week, for the purpose of organizing an international industrial life insurance agents union. At the forenoon session a temporary organization was effected and committees appointed. Officers elected are as follows: Andrew P. Hickey, president; James Nelson, vice-president; J. D. Williams, secretary and treasurer. The convention adopted a constitution and made provisions for placing two organizers in the field. The national headquarters will be located at Boston.

Celebrate Their Victory.

The Pittsburg district men of the Colonial were recently tendered a banquet by their manager, J. I. McLeod, at the Hotel Annex, celebrating the winning of the "white banner," a prize offered by the company every six months to the district having the largest increase of business. The Pittsburg district won it for the first six months of 1907, with a handicap of ten weeks to overcome.

—Superintendent Hindle and his staff, of the Prudential at Newburgh, N. Y., were recently rewarded for efficient work with a trip to the home office.

—Louis F. Schurger has been appointed superintendent of the St. Paul district of the Prudential. He has been with the company since 1886, and has faithfully occupied different positions of trust.

—The Metropolitan has decided to have but two districts in Buffalo, instead of three, as heretofore. Superintendent J P. Mulhall, who has had charge of the Seneca district, will now take charge of the two districts in Utica.

—The force of Assistant F. L. Vaughan, of the Life Insurance Company of Virginia at Richmond, got together recently on Vaughan Jubilee Week and made such a good record that they have been quite the talk of the district ever since.

—Matthew E. Burke of New York, who died recently as the result of an accident received while playing football, had applied to the Prudential for insurance, but foolishly delayed taking the medical examination. This is a good argument to use against procrastinators.

—Representatives of the Metropolitan Life gathered at the Hotel Schenley, Pittsburg, Pa., recently, and a banquet was given at which about 400 representatives were present. Representatives of Western Pennsylvania and Ohio, together with Eastern officials, attended.

—Superintendent Hopkins, of the Life Insurance Company of Virginia at Wilmington, N. C., recently moved into his new offices in the new Carroll building, which was made the occasion for a very enjoyable smoker tendered by Superintendent Hopkins to all his office assistants and solicitors.

—The Atlantic City district of the Metropolitan has been made a detached assistancy of the Camden (N. J.) district, under Superintendent Morris Feder. Superintendent William Armstrong of Atlantic City has been appointed assistant superintendent of the South Norwalk detached assistancy of the Stamford (Conn.) district.

—Superintendent Jackson, of the Prudential in Hoboken, is telling how he ran across a family which had not been approached by a Prudential agent for over six months, although the company had a good line of business next door. Fifty cents of good business rewarded the energetic Jackson for his straight canvassing.

—The Prudential's superintendency leaders in industrial for 1907 are: Z. T. Miller, New York 8; G. S. Wainwright, Washington; J. S. Kendall, Chicago 1; V. W. Kenney, Baltimore 3; J. Pauer, McKeesport. In the ordinary department the following five men head the list: Z. T. Miller, New York 8; J R. Russell, Pittsburg 1; C. W. Godfrey, Hartford; M. J. Leonard, New Haven; J. T. McKenna, New York 3.

—The following Prudential men have been advanced to the rank of assistant: J. E. Cahn, Long Island City; W. G. Mills, Dayton; H. B. Bartley, Steubenville; W. Gorniak, Chicago 1; E. N. Hill, Denver; A. J. Lince, St. Paul; C. A. Bilharz, West Hoboken; H. Cordes, Brooklyn 8; L. S. Greenberg, Long Island City; M. J. Tracy, Cincinnati 2; E. McKernon, Saratoga; P. Gaffney, Trenton; L. H. Cook, Joplin; H. Clouse, Wilkesbarre.

—A number of people who think they have special ability to look ahead and discern future business tendencies, have been heard to remark that the present prosperity is about played out. A press correspondent

recently put this question to the not quite all wise John D. Rockefeller, and this is what the man of oil said: "You ask me if the present prosperity of the country is to continue. I will say to you men that the opportunities for acquiring wealth or a simple competency are greater in this country than ever before. The improvement of transportation facilities, advancement along scientific lines, the development of machinery and system and organization all tend to increase general prosperity." Now if any of you are looking for a chance to lay back and take it easy because hard times are said to be coming, just paste John D's words in your hat and refer to them occasionally.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

The New York Board ran on a snag at its last meeting in dealing with the question of quorum. A proposition was presented by the finance committee to appropriate money for certain legitimate objects, and there was perfect unanimity as to the desirability of the appropriation, but the question was raised that there being no quorum present such an appropriation was illegal. The no quorum assertion was undeniable, and the objection therefore to the proceeding was too obvious to be ignored. Consequently the appropriation was passed over. The members are said to be very much worked up, however, by a claim that the Board is not required to approve appropriations endorsed by the finance committee.

Thus far July losses in this borough have been moderate, and if the moderation continues may restore this month to its old position of one of the best in the year. In carding the half year the companies are still met with the traction company car barn loss as equal to the entire increase over the experience last year.

The Exchange is after brokers here who may have been placing lines for some Lincoln (Neb.) risks, viz.: for Miller & Payne and Ridge & Gunsel. The origin of these queries is doubtless in Lincoln, where agents have lost the renewals. Heretofore it has been the custom of the Exchange to steer clear of such queries affecting risks located in anti-compact States, lest the fact be used as an argument to prove a compact among the companies. Nebraska is such a State, and the inquiry may have slipped through unnoticed.

The striking peculiarity of the losses reported by the patrol bulletins this month is that two-thirds are upon buildings and few upon contents. The public adjusters are in evidence as usual, but building losses are so generally settled by appraisement, the publicans and sinners have small chance to pluck the companies and not much to pluck the policyholders.

Reports from Albany indicate that an attempt is in progress by lawyers in this city to impound the deposits of a few companies which have ceased doing business here to cover claims for San Francisco losses under reinsurance contracts in which the earthquake exemption clause is involved. This means more pickings for the lawyers on both sides.

A query is out from the Exchange relating to the Franklin Brewery risk in Brooklyn. While the special point of the inquiry is not disclosed, there is a whole lot of mystery about deviations in forms, and the wonder is how easily some offices are led into such deviations by the innocent brokers.

The New York Board would have followed the Exchange and omitted the August meeting if it had been possible to avoid the requirement of the original charter that meetings must be held monthly. The difficulty of a quorum at all times would seem to point to a solution of the difficulty in the willful absence of members in such numbers as to make a meeting practically impossible. The question of quorum, however, must sooner or later be considered seriously or the Board will be hampered by non-attendance of members.

The patrol figures are coming out very slowly, but reveal some singular increases as well as decreases in the comparison of the last six months. Out of thirty-four returns already printed, thirty-one show a fine increase in premiums. This does not confirm the general impression that the companies are reducing their lines. On the other side, the New York Underwriters Agency returns show a decrease of $44,000 for the six months and the Continental returns $82,000 less than in the corresponding term of last year. This bears out the testimony of brokers that the Continental is cutting out hundreds of the best risks, and will henceforth cover only buildings and avoid all factory risks. The company is strong enough to carve its own way, but the contrast with some others whose receipts have increased twenty-five to ninety per cent is quite marked.

The various committees of the Board and Exchange are resting on their oars through the summer, and the work for the fall campaign will probably accumulate in the interim. The clerks in the Exchange will now have brief vacations.

Manager Hess has sent out a circular, with the approval of the executive committee, offering to supply to the members of the Exchange supplementary cabinets to contain the current issues of rate cards. For this service members will be charged $30 per month in advance. This service is also open on the same terms to certified brokers, but if their certificates are revoked all further card service will be discontinued. This arrangement is proposed as a substitution for the impossible demand for complete card cabinets frequently made.

The brokers who remain at their posts, having some leisure, are discussing among themselves the question of trouble hunting on the part of the Exchange. The burden of their complaint is that fault-finding with forms accepted readily by the companies leads them into embarrassing attitudes without accomplishing any good object for correct practices. In one case cited by a prominent broker a sentence which was transposed without disturbing the meaning in the slightest degree was found in a form otherwise correct, and the broker was required to recall thirty policies to have the form corrected. This was perhaps an extreme case, but the brokerage idea is that the game is not worth the candle.

James La Rhett Livingston, second vice-president of the Atlantic Mutual of New York, who died of heart disease at his home in Lawrence, L. I., on July 11, was born in Elizabethtown, N. Y., November 14, 1844. His connection with the Atlantic Mutual had been continuous since 1855.

The Empire City Fire has declared a semi-annual dividend of three and one-half per cent.

J. D. Arnold, of the Little Rock (Ark.) local and general agency firm of Arnold, Raines & Co., was noted in this city last week.

CHICAGO AND THE WEST.

The funeral of William L. King, Western manager of the Providence Washington, and president of the Fire Underwriters Association of the Northwest, was held early this week at Hinsdale. Mr. King had a wide reputation as a scholar of the insurance business and was an able writer on insurance topics, recently taking a prominent part in the journalistic discussion of the Dean schedule. He was elected president of the Fire Underwriters Association of the Northwest last October, and was engaged in arranging the programme for the 1907 meeting when he was taken ill. He was born in Wisconsin in 1857 and became an insurance agent at Lisbon, N. D., after editing a country paper. After serving several companies in the Northwest he became examiner for the Continental in Chicago, and in 1904 became Western manager of the Providence Washington. It is understood that C. G. Meeker, State agent of the Concordia in Illinois and Indiana, will succeed him.

Alderman A. J. Fisher, who is in the insurance business, has secured the passage of an ordinance by the City Council increasing fire protection in apartment buildings.

Jerome S. Harbeck, the examiner for the Western department of the Phenix, who disappeared mysteriously, has been found and sent to the Detention Hospital suffering from paresis. His health had been failing previously and the company had sent him to Colorado to recuperate.

The Royal will give up its local offices in the company's building on August 1 and remove to the ground floor offices in the New York

Life building. C. R. Stouffer, local manager, will be in charge, with W. E. Spangenberg, who has been operating the former German of Freeport offices, as his associate.

BOSTON AND VICINITY.

The committee of arrangements has fixed Friday, August 2, as the date of the annual outing of the New England Insurance Exchange. It will be at the Warnick Club, Warnick, R. I., to which the members will be conveyed by special trolley cars.

Eben B. Gardner, of E. B. Gardner & Co., one of the oldest insurance men in New England, died in Bucksport, Me., last week.

Many of the insurance offices will be decorated during "Boston Old Home Week," July 29 to August 3, and several of them are planning to keep "open house."

Boston has suffered two fairly large fires during the past week, the losses aggregating well up to $200,000.

The new list of brokers, solicitors and sub-agents just issued in pamphlet form by the Boston Board of Fire Underwriters, contains the following, relative to commissions:

It is a violation of the rules of the board to pay commissions on risks located in the Metropolitan district of Boston to brokers who do not hold certificates for the year beginning July 1, 1907.

Brokers holding first-class certificates are entitled to a commission on all business placed by them.

Brokers holding the second-class certificates are entitled only to a commission on risks situated outside the limits of the city of Boston.

No commission can be paid by a member of the board to brokers who, within thirty days of the month in which the risks are placed, do not hold certificates of the board entitling them to collect commissions.

NOTES FROM PHILADELPHIA.

The capital of the American Fire of Philadelphia has been reduced from $500,000 to $179,200, represented by 1792 shares of par value $100.

Stock of local fire insurance companies sold at auction last week brought the following prices: 1 share Fire Association $325, and 10 shares, $327; 12 shares Franklin Fire, $51.

Robert Hartzell, the suspected Allentown (Pa.) firebug who has been in jail there, has confessed to having started the three incendiary fires in that town which recently destroyed property valued at $115,000.

The insurance agency of Hans Weniger, which represents the Northwestern National, has been transferred to William L. Cassebaum.

The Reliance of this city has appointed Horner & Ladley general agents for Pittsburg and vicinity.

THE MIDDLE STATES.

—At the annual meeting of the New York State Association of Supervising and Adjusting Agents, I. Lloyd Green was elected president, and Henry Morgan, secretary.

—John Monks, New York State special agent of the British America and the Western of Toronto, will retire on August 1 to become New York city adjuster for the German-American.

THE NEW ENGLAND FIELD.

—Five shares of the Hartford Fire recently sold at auction at $496 per share, par value $100.

—Eben B. Gardner, senior member of the local agency firm of E. B. Gardner & Co., Bucksport, Maine, died recently at his home in that city, after a short illness.

THE WEST.

Organization and Rate Questions in Ohio.

[From Our Own Correspondent.]

Suggestions have been made in the Middle West recently favoring the formation of an association of managers of non-Union companies, to which might be referred for more or less uniform action questions involving the field practices of these companies. It is understood that the proposal has been quite favorably received and that it is being given careful consideration. The field men, upon whom the brunt of conditions fall, are very generally in favor of the idea, the Ohio League of Fire Underwriters, made up of the non-Union specials, having passed a formal resolution at its last meeting voicing approval and requesting each member to bring the question up to his home office.

At the Ohio State Fire Prevention Association's recent inspection of East Liverpool, seventeen members inspected 184 risks, of which 137 were approved. Only eleven risks in such poor condition as to need special attention were found.

The Cleveland agents held an interesting meeting recently, ostensibly for the purpose of "clearing up a few inconsistencies in the dwelling house schedule," but really, as it developed, to give some of the more theoretical of the locals a chance to exploit their views on rate-making. The contention was that a dwelling house schedule with exposure charges, which is the variety in force at that city for years, was an absurdity, and that flat rates should prevail. There was a suspicion that this alleged defect was merely a blind by means of which it was hoped to bring about such a shake-up as to reduce the rates to a point where the agencies which now have a good classification of preferred business would find their activities unprofitable. The whole proposition was overwhelmingly voted down, however, the conviction being expressed that, while changes designed to simplify the schedule would be satisfactory, nothing resulting in a reduction would be tolerated.

On account of the additional work occasioned by the Continental's increasing business and the successful planting of the Fidelity, these companies have found it necessary to redivide the territory covered by their Ohio field men. Hereafter George Velten Steeb will handle the northeastern section of the State, John Martin the northwestern, and W. J. Beggs the southern.

Cleveland suffered several heavy lightning losses lately, and at the same time tornado writing companies received loss reports from Cincinnati.

The Springfield Underwriters and the Montgomery County mutuals will be represented in the field by Roscoe C. Iddings of Dayton, as special agent.

The Ohio Field Club, made up of Union specials, held its midsummer meeting at Put-in-Bay on the 17th, and the Ohio State Fire Prevention Association, made up of both Union and non-Union specials, held their meeting at the same place the following day. The latter meeting was an important one, in that it took active steps to provide uniform regulation of the moving picture—penny theater nuisance. The law and ordinance committee of the organization will draft at once an ordinance, suitable for any municipality, to cover the use of these machines, and will then endeavor to get State Fire Marshal Creamer to send out the ordinance, together with a copy of the Ohio Inspection Bureau's rules covering the installation of the devices, and to use his official position to obtain its adoption throughout the State. The Underwriters Laboratories at Chicago are working in conjunction with the committee on Ford gasoline lighting machines, and an instructive report is looked for at the next meeting. One of the most important features of the meeting was the adoption of a resolution under which the association will make a complete inspection of Cincinnati in September.

The field men of the State are making individual efforts to induce their local agents at Toledo to get together once again and reorganize the local association, which was unceremoniously abandoned last winter, when the rating association tried to put the Dean rates in force. One thing which made the agents disband with exceeding alacrity was the fact that a county prosecutor, who has been particularly active and successful in sending ice men, coal men, lumber men and other naughty men who formed "trusts," to jail, was watching the fire insurance situation very carefully. It may be that this same spectre will be as much of an influence now as then, in spite of the fact that the courts at Elyria recently decided that the Lorain county agents had a perfect right to maintain their "protective" organization.

A flat reduction, estimated at from five to ten per cent, will be made on all Cleveland congested district rates within a few weeks on account of the completion of the high pressure water system.

Columbus, July 20. Christopher.

Ohio Notes.

[From Our Own Correspondent.]

An agreement has been reached between the fire marshal and the dry cleaning establishments at Cincinnati, by which the latter agree to abide by an ordinance that will be framed to govern the storage of gasoline and other explosives in the business district. Suits had been brought

against a number of the concerns to force them to move or live up to the letter of the law.

Superintendent Bemis of the Cleveland waterworks department stated a few days ago that something would have to be done to give the West Side proper water service. One large main now serves the territory, and in case it should break, danger from fire would be imminent. The auxiliary mains take care of the domestic needs, but the pressure would not be sufficient to combat a big fire. O. M. C.

Cleveland, July 20.

—The Queen is entering Wisconsin.

—R. Wechselberg, an examiner for the Milwaukee Mechanics, has been appointed special agent for Wisconsin.

—H. W. Colson, formerly Western general agent of the New York Fire, has been appointed superintendent of agencies of the new Central department of the Walla Walla Fire.

—Samuel N. Barber of Kenosha, Wis., senior member of the insurance firm of Barber & Barber, died recently of heart disease. He was one of the oldest underwriters in the State.

—It is reported that the stockholders of the Acme Fire of Lisbon, Ia., are in favor of paying in the balance of its capital stock and removing the head offices of the company to Cedar Rapids.

—The Minnesota and North Dakota Fire Underwriters Association has elected John F. Stafford president; L. F. Daniel, vice-president; Walter I. Fisher, secretary, and H. R. Ensign, treasurer.

—The Commonwealth Fire of Ottumwa, Ia., which recently paid up its full capital of $100,000, has decided to enter the general agency field, and will apply for admission to practically all the States that its capital will permit.

—Frank L. Stabler, an examiner in the Western department of the North British and Mercantile, has been appointed State agent for Nebraska and the Dakotas. State Agent Daniels will confine his attention to Minnesota.

—The following bills introduced in the late session of the Wisconsin Legislature have become laws, having been signed by the Governor and published: Senate bill, relating to the surplus of mutual fire companies; Senate bill, relating to the standard fire insurance policy.

—One of the new laws regulating fire insurance companies in Wisconsin provides that all of the surplus of any domestic fire insurance company doing business on the mutual plan in excess of two per cent of the total amount of its outstanding fire risks shall be distributed annually pro rata among the members of the company.

—The Eagle Fire Company of New York has appointed Otto O. Tollefson, president of the Northwestern Fire and Marine of Minneapolis, its general agent for Minnesota, Iowa and North and South Dakota, from August 15. George A. Bailey, president of the Freeholders of Topeka, has been appointed Kansas general agent of the Eagle.

THE SOUTH.

—The Guardian Fire has withdrawn from Kentucky.

—Fred C. Clarke has been appointed North and South Carolina special agent of the Insurance Company of North America and the Alliance of Philadelphia, to succeed A. L. De Rosset, Jr., resigned.

—Deputy Commissioner Seaton of Alabama is preparing a bill to prevent marine companies from taking the shore end of cotton insurance, and to limit this insurance to the State agencies of fire companies.

—Manager Frank Butt, of the Cotton Insurance Association of Atlanta, is in New York in conference with marine company officials looking to a readjustment of the reinsurance arrangements by which the association has been carrying the shore end of marine risks.

—A bill has been introduced in the Georgia Legislature to amend the act of 1895, requiring deposits of bonds by fire, marine and inland insurance companies doing business in that State, with the State Treasurer. A bill to tax all public utility corporations, which includes insurance companies, has been introduced; also a bill providing for the investigation of causes of fires. The latter bill has an anti-compact feature.

—The executors of the late J. S. Groce, and T. W. Burns, the surviving partner of the insurance agency firm of J. S. Groce & Co. of Dallas, Tex., have disposed of the firm's business to J. E. and W. B. Lee, Jr., who will continue the business under the firm name of Lee & Lee. The Messrs. Lee have for ten years conducted the Texas general agency of the Northwestern Mutual Life, which company is now withdrawing from Texas because of adverse legislation. T. W. Burns will be associated with the new firm.

THE PACIFIC COAST.

San Francisco News Items.

[From Our Own Correspondent.]

William Frank, of the old firm of Gutte & Frank, died at his home in this city last week. He had been engaged in the insurance business since 1870, at which time he was a broker. Later he entered the firm of Gutte & Frank, and was an active member up to the time of his death.

Robert H. Naunton is dead. "Old Bob," familiar to every member of the insurance fraternity and one of the best fire adjusters that this section has ever known, has been an important factor in the business of the coast for over a quarter of a century. His death came suddenly and was caused by ptomaine poisoning.

F. W. Blumberg, well known on California street as a broker, was recently found dead in bed.

The St. Paul Fire and Marine Insurance Company has had a rather stiff verdict rendered against it recently. Barneson, Hibbard Company sued it in the United States Circuit Court and recovered judgment for something over $30,000. The suit was brought for a loss of a cargo which the St. Paul had insured by a marine policy. The defense was that the vessel, the German steamer "Mariechen," was unseaworthy. She was wrecked in January, 1906, on a voyage from Seattle to Vladivostock.

Another suit on a marine policy has been recently decided against the St. Paul in the United States Circuit Court. Balfour, Guthrie & Co. sued under a war risk policy covering on flour on the steamer "Arabia." The vessel was captured by the Russian fleet in July, 1904, while on a voyage from Portland to Japan, and the flour confiscated. The defense claimed that the flour was insured after the vessel had been captured.

The National Union of Pittsburg will commence to write San Francisco business, commencing July 15. William Magee has been made general agent..

The Firemens of Newark has been licensed to transact business in California. Chas. Ward has been appointed general agent of the company. Mr. Ward was formerly general agent for the German of Freeport. Occidental.

San Francisco, July 13.

MISCELLANEOUS FIRE NEWS.

Union of London Merges with Commercial Union.

The amalgamation of the Union Assurance Society of London with the Commercial Union of London has been completed. The former company will cease active operations in the United States on July 31 next. Its business will not be reinsured, as it is the intention of the society to take care of all of its liabilities in the ordinary way. Hall & Henshaw, United States managers of the Union, have issued the following circular to the Union's agents:

We are sorry to be obliged to inform you that in consequence of the fusion of the Union Assurance Society with the Commercial Union Assurance Company, Limited, of London, it has been decided that the Union Assurance Society will, on July 31 next, discontinue active business in the United States. We beg, therefore, that on that date you will cease to write or renew any further risks for the Union, and will return to this office your commission as agents and all unused policies and certificates. The business on the books of the Union Assurance Society will not be reinsured, as it is the intention of the society to take care in the ordinary way of all their liabilities, and after the end of this month all of the affairs of the society in the United States will be in charge of the United States management of the Commercial Union, from whom you will receive full instructions.

Our deepest regret in this unexpected cessation of business and termination of our management by the Union is that it breaks, for the time at least, our close business connection with many local agents, most of whom we have for years been proud to consider our personal friends, and with all of whom our relations have been most pleasant. We trust you will feel that you will always be welcome at our office and will remember that we shall be at your service in New York as before.

—H. O. Swaim has been appointed special agent of the National Union Fire for Colorado and Utah, with headquarters at Denver.

—The North British and Mercantile's Pacific Coast branch office at San Francisco will be closed about November 1 next. All agents in that territory will thereafter report to the United States branch office at New York; William S. Berdan, now general agent in the Pacific Coast department, assuming sole charge of that field at the New York office.

—E. J. Miller of Denver, Col., has been appointed general agent of the Insurance Company of the State of Pennsylvania and the Union of Philadelphia for Colorado and Utah.

—W. E. Labry has been appointed special agent for Los Angeles and Southern California of the Northwestern National, succeeding O. P. Conoway, who recently resigned to become secretary of the Walla Walla Fire.

—The Insurance Commissioner of California has submitted to the Attorney-General the question of revoking the California licenses of fire insurance companies which have transferred cases from the State to Federal courts.

—Dixwell Davenport, special agent of the Phœnix of London for Idaho, Montana, Oregon, Utah, Washington and Wyoming, has resigned to enter the local agency business at Spokane, by purchasing an interest in the F. B. Grinnell Agency at that point.

Casualty, Surety and Miscellaneous

The National Surety Company

A good showing is made by the National Surety Company of New York in its semi-annual statement, as of June 30, 1907, which appears in another column. By comparison with the statement made public shortly after the close of 1906, it will be seen that a gain in assets has been made amounting to $95,481. Included among the liabilities is an item of $88,224 as a contingent reserve for unadmitted claims, representing the amount of two judgments entered against principals and it as surety, in actions instituted under bonds executed by the company, in both of which cases, however, the company believes it is fully protected by indemnity.

In the first six months of this year the business of the National Surety has increased so that its gross writings were in excess of one million dollars, indicating a most active management. Depreciation in the market value of securities has caused the charging off of a sum exceeding $66,500, but the financial strength is unimpaired thereby, as the company has a surplus of $507,527, while its premium reserve is over $824,000.

The National Surety has a splendid reputation for prompt adjustment and settlement of losses, while its officers, being all men of wide experience in the surety business, insure its being conducted along conservative and progressive lines.

Casualty Notes.

—George R. Reed has resigned the vice-presidency of the Casualty Company of America.

—Nicholas W. Muller has been elected assistant secretary of the Casualty Company of America, a newly created office. Mr. Muller has been with the company since 1904.

—The International Federation of Commercial Travelers Organizations held a three days' convention in Detroit last week. The delegates to the convention number seventy-five and represent 200,000 insured members.

—The Fidelity Accident Insurauce Company of Lincoln has been licensed and has commenced business. The company will write accident, health and burglary insurance. The officers are F. P. Corrick, president; J. C. Seacrest, vice-president; Charles S. Roe, secretary.

—The National Accident Assurance Company of Lincoln, Neb., has been organized with a paid-up capital stock of $10,000, and has received its license. The incorporators are: A. W. Lane, F. B. Dwiggins, F. H. Howey of Beatrice; L. B. Howey of Beatrice, and Dr. H. J. Winnett.

—The National Fidelity and Casualty Company, with $100,000 capital, has been incorporated in Omaha to write personal accident, fidelity, liability, steam boiler and automatic sprinkler risks. At the head of the company is Edward A. Cudahy, the packing house operator, and associated with him are William A. Paxton, Edwin T. Swobe, C. M. Wilhelm, John S. Brady, Howard H. Baldridge and F. P. Kirkendall.

—President E. C. Hughes, in his annual address before the Washington State Bar Association, indorsed the employers' liability act passed by the last Congress on the ground that public service corporations are obligated to the public by their franchises to employ competent men and that employees have a right to expect all fellow servants to be fully competent. He denounced the old common law theory that a corporation was not liable for injuries sustained by the uegligence of a fellow servant. Mr. Hughes is one of the most prominent corporation lawyers in the State.

Surety Notes.

—The Metropolitan Surety has withdrawn from Massachusetts.

—The Massachusetts Bonding and Insurance Company of Boston has filed articles of incorporation.

—The New York Insurance Department recently examined the Peoples Surety Company, and finds that the company has a net surplus of $56,255 over its capital of $500,000.

—O. S. Basford, Insurance Commissioner of South Dakota, is in New York for the purpose of examining the various surety companies alleged to have been writing bonds in that State without being admitted.

—The New York Surety Company has elected officers, and it is said that the company will make its headquarters in the Royal building on William street. This is the company being promoted by John J. Caullet.

—Several surety underwriters are said to have under way a plan for handling surety claims on a general adjusting principle similar to that employed by the fire companies. It is proposed to have a stock company organized which will take charge of claims arising under bonds of all surety companies and handle all salvages which might be obtained in process of settlements, pro rating the expense among the companies interested. As yet little is known of the plans, and several well-known underwriters appear to be totally ignorant of the scheme.

—Attorney-General Todd of Pennsylvania has filed a petition in the Dauphin County Court requesting that the Keystone Bonding Company and the Keystone Trust Company be asked to show cause why receivers should not be appointed for the two concerns.

—The Southern Surety Company of Oklahoma and Indian Territory has made application for admission to Texas. The company is said to have $400,000 paid-in capital stock, and the Texas Insurance Department has sent an examiner to Oklahoma to look over the securities of the company.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, $7; book only, $5; monthly supplement only, $2 per annum.

Colorado Fire Insurance Company, Denver, Col.

The above-named company will reorganize as a stock company, with a paid-up capital of $50,000 and a net surplus of $12,500.

Des Moines Fire Insurance Company, Des Moines.

The stockholders of this company have decided to pay in the balance of its capital stock, which is at present represented by $50,000 cash and $50,000 stock notes, and enter several States.

Dubuque Fire and Marine Insurance Company, Dubuque.

Semi-annual statement, July 1, 1907: Assets, $1,047,541; reinsurance reserve and all other liabilities, $696,673; net surplus, $150,868.

Italian Fire and Marine Insurance Company, Turin, Italy.

This company writes surplus lines of $5000 and $10,000 on American risks, through W. Bennett Gough, New York. The latter announces that 50 per cent of premiums on such risks are deposited in the United States for the security of policyholders.

Milwaukee Mechanics Insurance Company, Wilwaukee, Wis.

Statement as of July 1, 1907, shows $2,547,849 of assets; a capital of $500,000; an unearned premium fund of $1,440,133, and a net surplus of $541,849.

Queen City Fire Insurance Company, Sioux Falls, S. D.

Assets, July 1, 1907, $639,752; unearned premiums (New York standard), $195,000; reserve for losses in course of adjustment, $23,248; other liabilities, $21,500; capital, $200,000; net surplus, $200,004. The assets embraced cash, $60,646; bonds and stocks, $26,086; first mortgages on real estate, $367,864; other loans, secured, $93,955; agents' balances, net, $76,421; premium notes, $6985; accrued interest, $7794.

Standard Fire Insurance Company, Keokuk, Iowa.

At a recent meeting of the stockholders of this company it was decided to pay in its full capital of $100,000.

Standard Mutual Fire Insurance Company, Houston, Tex.

The Commissioner of Insurance of Texas requested the Attorney-General to bring suit against this company for the forfeiture of its charter and the appointment of a receiver. In January, 1907, this company changed control, J. W. Oman becoming general manager. The new interests endeavored to put the company in good shape, and the State Insurance Department was as lenient with it as possible, but it now appears that those in control were unable to rehabilitate the company, which was found to be insolvent when it was examined early this year.

Later.—George E. Shelley of Austin has been appointed receiver of the above-named company.

T. & C. Insurance Company, Dallas, Tex.

This company has reinsured all of its outstanding risks in the Royal Exchange of London, and retires from the field.

Union Assurance Society, London.

This company has amalgamated with the Commercial Union of London, and will cease active operations in the United States on July 31.

TOO LATE FOR CLASSIFICATION.

—The Philadelphia Casualty has withdrawn from Massachusetts.

—W. T. Kinter has been appointed receiver for the Keystone Bonding Company by Judge Kunkel at Harrisburg.

—The Pacific Mutual Life has decided to remain in Texas, notwithstanding the onerous restrictions placed upon companies operating in that State by the recently enacted Robertson bill.

THE SPECTATOR:

THE SPECTATOR, *established in 1868, is a weekly journal devoted to promoting the best interests of trustworthy insurance of all kinds. The subscription price for the United States, Canada and Mexico is Four Dollars per annum, postage prepaid. To all foreign countries in the Postal Union, Five Dollars per annum.*

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THE SPECTATOR COMPANY, PUBLISHERS.

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IT is announced that the Mutual Reserve is about to inaugurate energetic measures to induce the holders of its old policies, issued on the assessment plan, to exchange them for the policies it is now issuing on the legal reserve plan. The company has been striving to accomplish this end ever since it became a legal reserve company, but many of those old members, who would have difficulty in getting insurance in any other company, declined to make the exchange, preferring to pay the increased assessments made from time to time to meet the increasing death losses in their class. Many found these assessments of such vigorous growth as to become prohibitory and they sacrificed their policies, but the least desirable risks held on. If they can now be induced to exchange for legal reserve policies, there will undoubtedly have to be some liberal concessions made to them. It was a favorite canvassing cry of the company ten or fifteen years ago, that it was furnishing trustworthy insurance at less than half the price required by the old-line companies, and that it was better for their members to keep their money in their pockets than to pay it out in high premiums. The assessment plan was denounced as fallacious and impossible of success by leading insurance men, but the public was deceived to a great extent by the clap-trap representations then in vogue. The Mutual Reserve was the leader among scores of similar organizations, most of which have come to the disastrous end then predicted and that was inevitable. Their fate demonstrated the fact that assessmentism, pure and simple, is conceived on false assumptions and is impossible of fulfillment. Even those orders that combine the lodge system, and offer social inducements to the members, have been forced either to raise their rates to meet the inevitable increase in the number of deaths occurring with the advance in age of their members or retire from business. The Mutual Reserve made a phenomenal record under the circumstances, referring to which we find that in 1897 it had over 100,000 members who were insured, or seemingly so, for over $300,000,000. But even then the rocks ahead were plainly visible, and its revenue began to fall off, while its disbursements increased. Its income in that year was $5,697,321, while its payments to policyholders and for management expenses were reported at $5,963,083, and its admitted assets were $5,129,962. Even the former president, E. B. Harper, before his death, recognized the failure of the assessment plan he had so vigorously contended for, and the necessity for getting on the legal reserve basis, but he had not the courage to undertake it. Much has been done under the supervision of George D. Eldridge, actuary of the company, to bring the old members to accept the new policies, but there are still quite a number outstanding which are a serious embarrassment to the company. If these can be offered some equitable plan for surrendering their assessment policies, it will be a "consummation devoutly to be wished." It will be worth much to the company, placing it directly in line with the legal reserve companies, and relieving it of an incubus that has long served to block its progress. The company reported $80,000,000 of insurance in force at the close of 1906, of which some $45,000,00 is said to be on the old assessment plan.

LEGISLATION in a number of States during the past year or so has certainly caused many life insurance company officials to wish that national supervision were possible. For a time it looked as though uniformity of legislation might be secured through the recommendations of the committee appointed by the conference of Governors, Attorney-Generals and Insurance Commissioners in February of last year. A few States adopted their recommendations without change, while others grafted on the ideas of some legislator with a grievance, most of which, while possibly annoying to the companies, can do no material injury to the best interests of the business. It must be a matter for satisfaction to the members of the committee referred to above that in no case where their recommendations have been strictly followed has there been any talk of withdrawal from the States by outside companies. The recommendations made were the result of careful study for many months by men from widely separated sections of the country, who endeavored to avoid any action which might prove detrimental to the companies or their policyholders. All the investigations made have failed to bring out any defects in the system of life insurance—the faults being those of management only. It is therefore somewhat surprising that one State, Wisconsin, should have attempted to regulate the system itself, as well as to provide for a stricter accountability on the part of the managers. As a result of the legislation in that State, many companies are seriously considering the advisability of withdrawing therefrom, and will undoubtedly do so if, upon investigation, they find that the new laws will prejudice the interests of the bulk of their policyholders. Ultra-radical legislation is of no benefit to a State, as it generally works to the disadvantage of its own citizens.

CREDITORS of the German of Freeport will be interested to learn of the plan now proposed for speedily closing up the affairs of that company. There are some matters in dispute between the receiver of the German and the Royal Insurance Company, which took over its unburned risks following the San Francisco conflagration—in fact, the receiver is endeavoring to abrogate the reinsurance contract. As a means of settling all difficulties, and also of immediately

converting all the German's assets into cash, the Royal will submit a proposition for the purchase of all the assets of the German (valued at $2,195,484) for the sum of $1,850,000 in cash. This, if accepted, will probably warrant a prompt dividend of fifty per cent to creditors, and a subsequent one of perhaps three per cent. As the receiver, the Chicago Title and Trust Company, does not care to assume the responsibility of this transaction without consulting the creditors, the latter have been requested to submit their views on the subject. It is recommended by the judge of the Circuit Court, and altogether appears to be an advantageous offer for the creditors. It will certainly save them tedious delay in obtaining their respective shares of the proceeds of the assets, and will probably yield nearly, if not quite, as much in cash as would the slower procedure of converting the assets in detail, considering possible losses and expenses in the process. It will be astonishing if so good an offer shall fail to meet with the approval of the creditors.

IT has always been considered that a reinsurance policy or agreement was a contract of indemnity binding the reinsurer to pay the reinsured the loss sustained by the latter in respect of the subject insured, to the extent for which the reinsurer is liable under the contract. Nevertheless, a San Francisco loss claimant against a foreign company, which was only licensed in California and has ceased business there, is suing a company which is alleged to have reinsured a percentage of the risks assumed by the original writing company, in the hope of collecting from the reinsuring company. As to the relations which exist between the insured, the reinsured and the reinsurer, "Joyce on Insurance" says:

> The reinsured sustains as to the reinsurer the same relation which the original insured bears to the reinsured, but the contract of reinsurance does not inure to the benefit of the assured, and he has no claim, legal or equitable, against the reinsurer, nor any interest in the contract. There is no privity of contract between them, and the reinsured remains solely liable on the original insurance, and he alone has a claim against the reinsurer.

The outcome of the case in question will be awaited with much interest. It remains to be seen whether the United States courts will place a different construction upon reinsurances than has heretofore been the rule.

THE past week has been a prolific one as regards fires in and about New York. Early Sunday morning, a goodly portion of Coney Island was devastated by fire, which destroyed Steeplechase Park and numerous smaller properties, and caused a loss of nearly $1,500,000. On Monday morning, the Long Beach Hotel, at Long Beach, with a few neighboring structures, was totally destroyed, turning some 1400 guests out of their temporary home. On the same morning, a fire occurred in a Chrystie Street tenement house which cost 19 lives, though not causing a heavy property loss. Little, if any, fire insurance was involved in the Coney Island fire, and the insurance on the Long Beach Hotel was relatively light, so that the insurance companies escaped with very little loss from fires which annihilated some $2,000,000 worth of property. It is anticipated that the Long Beach Hotel will be rebuilt along lines as nearly fireproof as possible, but the conditions at Coney Island do not favor such expensive methods of construction.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

The succession of serious fires on Sunday and Monday last was a source of disappointment to underwriters who had convinced themselves that July was to be a fortunate month. The Coney Island incident caused no sorrowing, as the amount of insurance was small. The Long Beach hotel was formerly insured for a large sum, but this time the companies escaped without loss. On the whole, the effect upon the city losses was slight, but the fires attracted attention, and there were some guesses as to the insurance which were wide of the mark.

An underwriter who commented upon the frequent lack of a quorum at the monthly sessions of the New York Board says it was an error to omit the one dollar fee for attendance—not because it is a direct incentive, but because it creates an obligation to respond to the roll call in return for the fee. There is a question whether there is not some way of specifying the exact number of members required for a quorum, which may be less than a majority of the enrolled members. Possibly an amendment to the charter may be necessary to accomplish this purpose. But there are others who believe the Exchange system of levying a fine for non-attendance is the proper solution of the difficulty.

A broker has learned that the new company organized by Mr. Armstrong is to indulge in participation policies for direct customers, but will write non-participation policies for brokers on a basis of twenty per cent commission. This will bring to the front a question of compliance with Exchange rules, which forbid brokers to patronize non-Exchange companies excepting for affidavit risks. Sooner or later the matter will be tested.

The difficulty of placing lines in this city with the regular stock companies upon any Western risk at less than the full tariff rates is well understood. The inquiries as to whether companies have written risks in Nebraska at any rate rarely brings out an affirmative. If such risks are lost to the local agents, it is ten to one that it is lost to some Chicago broker and never reaches New York at all. The companies in the Exchange are bound by their pledges not to write outside risks at less than tariff rates. Of course, city companies may do this through Chicago or some other agency point, but not through their head offices.

The Factory Insurance Association is having a hard tussle with the New England mutuals upon some choice sprinklered risks in New Jersey, and we have heard that quotations running as low as twelve cents on both sides have been made. The association one day crowds the mutuals and the next day the mutuals crowd the association companies; and in the efforts to win or beat, the rates seem to the fathers of the business most absurdly low.

The fur storage business is now at its height and the amounts insured run into millions. Two firms—Revillon Freres and C. G. Gunther's Sons—each carry nearly $2,000,000. All the department stores receive furs on storage and have arranged for special apartments in cold storage warehouses to take care of the goods. The receipts given to the owners place a stipulated value on each lot, and the storage rates are, on a sliding scale, governed by the values.

The owners of property on Coney Island which was not burned last Sunday morning, flooded Brooklyn and New York offices on Monday and Tuesday with offers of insurance at advanced rates. Ten per cent was the highest lot, as the companies scorned five per cent. A few gambles at seven and eight were reported. Yet, in spite of the large loss, the improved water supply service on the island gave a good account of itself.

An offer of special insurance to cover loss by earthquake and fire caused by earthquake on a large banking building in San Francisco has been offered in this city through a trust company. The rate was not deemed satisfactory by the trust company and no contract was made. The form was drawn by an attorney and, as usual, was complicated and involved so as to avoid conflict with ordinary fire policies.

Demands for restrictions in rates are rapidly increasing in all cities and our own is no exception to the rule. What is most strange is the

disposition on the part of companies to stretch the schedule credits and charge both ways in order to accommodate the demand. Flexibility in schedules appears to increase as years roll by; the plea is that, as rates have been increased by leaps and bounds, the only way to appease the public is to devise some easy method of lessening the demand by chopping off charges and boosting credits.

Building Superintendent Moore of Brooklyn declined to grant several permits this week for the erection of new buildings on portions of the burned-out district of West Brighton, Coney Island. The applicants must wait until the question of extending the fire limits so as to include Coney Island has been definitely settled.

Superintendent Moore, of the Building Department, Borough of Brooklyn, a week ago recommended to the committee on building code revision of the Board of Aldermen that Coney Island be placed in the restricted district, so far as buildings are concerned, upon the following plan: That brick, stone, cement or steel construction be required where a building is to occupy the entire lot upon which it is to be built; frame construction to be allowed in cases where only eighty per cent of the lot is to be occupied by the building. This would compel substantial construction on valuable business property and permit frame construction on residential property.

CHICAGO AND THE WEST.

The lumber district of Chicago, which from the viewpoint of the fire department is the most dangerous in the city, is now practically without protection from fire, owing to the elevation of the Burlington, Northwestern and the Terminal Transfer Railway tracks along Sixteenth street, cutting off this part of the city from the rest of the West Side. The only means of crossing from one side to the other at present is over a viaduct, which is dangerous owing to lack of repairs. Protests have been made by the fire department and members of the city council over the delay of the railroads in opening up subways under the embankment, which would facilitate action by the firemen in the event of a blaze.

The Chicago Board of Underwriters in pursuance of its policy of reducing rates when it is justified by improved construction and fire protection, even in the case of low-rated sprinklered risks, has made a reduction in rate on the Sears-Roebuck plant on the west side, which carries over $12,000,0000 of insurance. The reduction is from the old rate average of 32 cents to 26 cents. The plant has a private fire department, a high pressure system, and 40,000 automatic sprinkler heads with complete supervisory service. Full coinsurance is maintained and by agreement the whole line is placed with board companies.

A decision has been handed down by Judge Tuthill to the effect that if a warranty company on a Lloyds policy retires from the risk due notice must be given under an arrangement made with the company using it as a warranty. The case was one in which Tennants Fire Underwriters issued a policy on the International Salt Company in Chicago with the Phenix as warranty company. The Phenix canceled April 20 and the property burned seven days afterward. The Lloyds denied liability on the ground that the conditions of the policy had not been complied with, and that it had no information that the Phenix had retired. The judgment against the Lloyds may be appealed.

BOSTON AND VICINITY.

At its next meeting, August 24, the New England Insurance Exchange will consider making a reduction of not over seventy-five cents from the one per cent minimum charge for the installation of moving-picture machines when installed in strict compliance with the rules of the National Board and the National Electrical Code.

The new Massachusetts law which became operative July 28, provides that insurance companies may organize for any one of the purposes therein named. One of these is as follows:

To insure upon the stock or mutual plan against loss or damage by fire; explosion, fire ensuing, except the explosion of steam boilers and fly-wheels; lightning, or tempest on land.

Insurance men in Boston state that it has been ten years or more since there have been so many fires as in the past two weeks; and, with these fires, the losses have been unusually heavy. The month of July will figure as a record breaker as to insurance losses.

The annual outing and field day of the New England Insurance Exchange will be Friday, August 2, at the Warnick Club, Providence, R. I. The members will go by special train from Boston, and at Providence they will take special electric cars to the club grounds.

NOTES FROM PHILADELPHIA.

The Philadelphia Underwriters has appointed the following gentlemen as special agents in their respective fields: C. M. Tyler, for Central Pennsylvania, headquarters Altoona; Benjamin M. Brothers, for Virginia, headquarters Richmond; Paul Turner, Jr., for Delaware, Maryland and District of Columbia, headquarters Baltimore, Md.

Since the recent action of the executive committee of the Philadelphia Fire Underwriters Association, in prohibiting the use of any clause which held the assured blameless for the acts of other tenants or occupants in the building if they violated the conditions of the policy, there has been considerable demand that some such clause be permitted again, with the result that the committee ruled last week that for an additional annual premium of ten per cent of rate otherwise applying but not exceeding an increase in rate of ten cents per annum, the following clause or others of like import could be used on policies:

"It is understood and agreed that the acts of tenants or occupants in the building or the use by them of articles more hazardous than are permitted by the printed conditions of this policy, shall not vitiate this insurance, provided same is not within the knowledge or control of the assured."

James S. Ifill now represents the Guardian Fire of Pittsburg, succeeding Wagner & Taylor.

At auction last week $327 each for a few shares of Fire Association stock and $295 each for a few shares of the Girard Fire and Marine were the prices realized, and they about equaled previous sales; but two shares of the stock of the Union only brought 5¼ against 9 two weeks before.

The Pennsylvania Insurance Department has granted a license to the Walla Walla Fire of Walla Walla, Wash.

Curtin & Brockie have been appointed agents from to-day of the Spring Garden, succeeding William L. Bradway.

It is stated that Director Clay intends to strongly urge Councils to pass an ordinance providing for the appointment of an additional building inspector, whose special duty it shall be to supervise all concrete construction in this city.

THE MIDDLE STATES.

Eagle Fire Company Elects Officers.

At a recent meeting of the directors of the Eagle Fire Company of New York, Secretary Charles R. Watson was elected acting vice-president and managing underwriter; S. S. Walstrum, former assistant secretary, was elected secretary. Isaac Vanderpoel, vice-president of the Eagle, has been far from well of late, having been away from the office much of the time.

President Price is to be congratulated upon having so capable a man as Mr. Watson in charge of the underwriting.

—John P. Guckes was recently appointed New Jersey special agent of the Camden Fire.

—The Philadelphia Underwriters has appointed C. M. Tyler its special agent for Central Pennsylvania, with headquarters at Altoona.

—The National of Allegheny is writing fire insurance on the instalment plan in Allegheny, Pittsburg and Chicago. The premium is payable in ten weekly instalments, and is loaded to provide for the additional expense involved.

—At a special meeting of the Eastern Union two forms of earthquake clause were submitted, one prepared by counsel and the other by a managing underwriter. No decisive action was taken, the matter being referred to a special committee.

THE WEST.

—The Delaware of Philadelphia is entering Arkansas through M. A. Shumard & Co. of Dallas.

—A reduction of twenty per cent has been made in fire insurance rates on frame dwellings in St. Louis.

—The Girard Fire and Marine and the Dixie Fire have been elected to membership in the Western Sprinklered Risk Association.

—George A. Morin has been appointed special agent of the Caledonian for Illinois, Indiana and Ohio, with headquarters at Indianapolis.

—From August 1 the Cook county agency of the Insurance Company of the State of Pennsylvania will be in the office of Adolph Loeb & Son.

—Payments of the proposed dividend of twenty-five per cent to claimants of the German of Freeport by the receiver has been postponed to August 12.

—Edward Collom of the Western Adjustment Company has been appointed special agent of the Northwestern Underwriters for Iowa, Nebraska, Minnesota and South Dakota.

—The Arkansas Association of Local Fire Insurance Agents has elected F. W. Offenhauser, Texarkana, president; A. L. Malone, Jonesboro, vice-president; Samuel Phillips, Newport, secretary-treasurer.

—Thomas D. O'Brien, Insurance Commissioner of Minnesota, has sent in his letter of resignation to Governor Johnson, to take effect August 1. Professor John A. Hartigan will succeed Mr. O'Brien as Insurance Commissioner.

—President Schlabach, of the Home Fire of Oklahoma, announces that he has induced the directors of the company to change the name to the Pioneer Fire Insurance Company of Oklahoma. This step will remove all objections to the company's affiliation with The Union.

—The Travelers Fire Insurance Company of Pine Bluff, Ark., is increasing its capital and surplus and entering other States. This company wrote about $120,000 in net premiums in 1906, and closed the year with over $264,000 of assets and a surplus as to policyholders of about $185,000.

—President Branch of the Providence-Washington has sent out to agents of the company obituary notice of Manager William L. King, in which, after giving a brief résumé of the latter's career, he eulogizes in no uncertain terms the business ability and personal qualities of the deceased.

—To save their customers the bother of signing the coinsurance clause, as required by law in Michigan, some of the agents of that State have been sending through daily reports containing coinsurance clauses purporting to bear the insured's signature by the agents as attorneys in fact. The companies, however, are refusing to sanction this practice, as it may hazard their State licenses.

—It is understood that the litigation in Kansas was commenced by the Attorney-General without knowledge that the same charges were threshed out a few years ago in the suits instituted by County Attorney Galen Nichols at Topeka. Thomas Bates, who won the former litigation for the companies, is in Topeka looking over the situation. The application to make the temporary injunction permanent will probably be postponed until September.

THE SOUTH.

Fighting Alabama Anti-Trust Measure.

The anti-trust bill that has been introduced in the Alabama Legislature is meeting with strong opposition. The bill is patterned after the Texas law concerning which the secretary of the Fort Worth Board of Trade sent a telegram to the Commercial Club of Montgomery, part of which is as follows:

Noticing in the newspapers that the State of Alabama is considering the enactment of the anti-trust law of Texas, we take the liberty of saying to you and the business men of your city that your legislature could do nothing of greater injury to the commercial interests of your State. * * * The business men of the State are now considering a petition to the Governor of Texas, asking him to call a special session of the legislature to repeal or amend the present law so that business may not be utterly destroyed by the vicious, unreasonable and wholly unwarranted and unnecessarily drastic and destructive provisions of the present law.

The Alabama Commercial and Industrial Association is preparing to make a fight in the legislature against the proposed act. A delegation is planned from that body to attend the sessions and speak against the measure.

—The Girard Fire and Marine has suspended operations in New Orleans pending the completion of the new fire pressure system.

—The Philadelphia Underwriters has appointed Paul Turner, Jr., its special agent for Maryland, Delaware and the District of Columbia, with headquarters at Baltimore.

—It is reported that several wealthy citizens of Nashville, Tenn., have become interested in the formation of a stock fire insurance company, with $500,000 capital and $250,000 surplus.

—J. Hornberger, vice-president and general manager of the Southern National Fire of Austin, Tex., is looking over the field in the East with a view to entering his company in some of the more important Eastern States so soon as the necessary formalities can be complied with. Newman & MacBain of New York city have been appointed general agents of the Southern National.

—A bill has been introduced in the Georgia Legislature requiring mutual fire companies, domestic or foreign, to make a deposit with the Insurance Commissioner of securities to the amount of $20,000 each.

MISCELLANEOUS FIRE NEWS.

Liability of Reinsurance Company to Insured to be Tested.

A case has been filed in the United States Circuit Court by Sullivan & Cromwell of New York, representing M. J. Brandenstein & Co. of San Francisco, against the Helvetia Swiss Fire Insurance Company of Switzerland to recover $35,523.31.

The litigation is a consequence of the San Francisco earthquake, and raises the question of the liability to the insured of insurance companies carrying reinsurance. It is understood that the case will be prosecuted as a precedent, and that the ultimate payment of many thousands of dollars of policies depends upon the final decision of the Federal courts.

According to the complaint, the firm of M. J. Brandenstein & Co. carried policies of insurance aggregating about $34,500 in the Rhine and Moselle Fire Insurance Company of Strasburg, which company was licensed in this country only in California. The Rhine and Moselle, it is alleged, reinsured ninety-five per cent of its California business with the Helvetia Swiss. After the earthquake the Rhine and Moselle declined to pay its policies upon the ground that the policies contained an earthquake clause. The San Francisco firm promptly sued the Rhine and Moselle for the face value of the $34,500 policies and recovered judgment for that sum and interest, amounting to $35,523.31 in all. The judgment was unsatisfied for the reason the Rhine and Moselle had no property within the jurisdiction of the California courts. Now, however, courts are to be appealed to to enforce the liability against the Helvetia Swiss in New York.

Attachment and garnishment of the Helvetia Swiss Fire Insurance Company's assets in this country is being made upon the ground that it is indebted to the Rhine and Moselle for the reinsurance it accepted. The Helvetia Swiss will defend the suit vigorously.

—See reference to Insurance Year Book on pages 54 and 55.

—Richard N. Crosby has been appointed stamp clerk at Hartford, Conn., succeeding Frank R. Knox.

—Windsor & Co. of Salt Lake City have been appointed general agents of the Girard Fire and Marine for Utah and Idaho.

—The International Association of Fire Engineers will hold its annual convention in Washington, D. C., October 8 to 11, inclusive.

—A new device has been perfected by a Rochester (N. Y.) firm which is in the nature of an automatic fire alarm that can be installed wherever there is a telephone. No separate wires are needed.

—Red Book No. 122 of the British Fire Prevention Committee's series relates to "Fire Tests with Petrol Tanks." It describes and illustrates tests of petrol tanks and metal vessels fitted with safety devices, comprising a combination of safety plugs and interior safety tubes made by Fabrik Explosionssicherer Gefässe (G. M. b. H.), Salzkotten, Germany, and submitted for test by Cairns Patents, Limited, London. This book may be procured through The Spectator Company, 135 William street, New York, at $1.25 per copy.

—Beside United States Manager Frank Lock of the Atlas, who will address the forthcoming convention of the National Association of Local Fire Insurance Agents on the "Relation of Companies to Agents' Organizations," Carroll L. DeWitt of Chicago, general agent of the Newark Fire, will speak on the "Associated Agency Movement from the Standpoint of a Field Representative of an Agency Company." There is a movement on foot to organize a new association in Louisiana, and considerable progress has been made toward reorganizing the State association of New Jersey.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

The trustees of the Mutual Life of New York elected to membership on the board Robert B. Woodward of Brooklyn, William F. Harrity of Philadelphia, William B. Dean of St. Paul, Minn., Emory W. Clark of Detroit, Mich., and Major-General James H. Wilson of Wilmington, Del., to fill vacancies.

The Washington Life, which has given up the use of term policies, has issued a one-year convertible contract. An additional premium of $5 per thousand of insurance will hereafter be charged women.

The Equitable Life and the Mutual Life of New York have restored the fee for medical examination to $5.00.

New York city general agency of the Northwestern Mutual Life has the following record for paid-for business during 1907: January, $972,200; February, $913,500; March, $1,179,500; April, $1,231,466; May, $1,446,100; June, $1,156,300. This agency is under the able management of J. I. D. Bristol.

The New York Life has addressed a circular to its agency force in which it is stated that the expenses for the recent election amounted to about $200,000. Reference is also made to Justice Darling's decision in the Farrelly injunction suit in which the judge says that neither money of the defendant company nor the time of its employees during business hours was devoted in any manner, shape or form to the election of the administration ticket and not a penny of the policyholders' money was spent beyond those expenses made mandatory by

BOSTON AND VICINITY.

The Philadelphia Casualty Company, which recently reinsured its risks in the Hartford Steam Boiler Inspection and Insurance Company, has withdrawn from Massachusetts, giving the reason that it is unprofitable to carry on this branch of business alone in this State.

The special recess committee of the legislature gave a hearing, Thursday, on the petition to provide that credit insurance companies may insure against accident to employees.

A representative of the Ocean Accident and Guarantee favored the bill, stating that his company is prepared to put up the additional capital required, and to accept such safeguards as the legislature may see fit to provide.

Alfred S. Pinkerton, former president of the Senate, opposed the petition, and legislation permitting companies to transact different kinds of business, expressing it as his belief that the present law makes ample provision for all the insurance required.

Z. C. Rennie succeeds James F. Cavanagh as Massachusetts general agent of the Washington Life Insurance Company.

Under the new Massachusetts law, damages which may be recovered by employees for injuries are increased from $5000 to $10,000; and the word "gross" is omitted from "gross negligence."

Following are the provisions of the new law:

"Section 2 of chapter 71 of the revised laws is hereby amended by striking out the word "gross" * * * and by striking out the word "five" * * * and inserting in the place thereof the word ten; and by striking out the words "one year" * * * and inserting in place thereof the words two years," so it shall read as follows:

"If a person or corporation by his or its negligence, or by the negligence of his or its agents or servants while engaged in his or its business, causes the death of a person who is in the exercise of due care and not in his or its employment or service, he or it shall be liable in damages in the sum of not less than five hundred or more than ten thousand dollars, to be assessed with reference to the degree of his or its culpability or of that of his or its agents or servants, to be recovered in an action of tort, commenced within two years after the injury which caused the death by the executor as administrator of the deceased, one-half thereof to the use of the widow and one-half to the use of the children of the deceased; or, if there are no children, the whole to the use of the widow; or, if there is no widow, the whole to the use of the next of kin."

NOTES FROM PHILADELPHIA.

The organization of the Eastern Life Insurance Company is in charge of Oliver L. Brown, whose headquarters are in the Drexel building, Philadelphia.

THE MIDDLE STATES.

—Chas. B. Palmer, of the National Life of Vermont, in the Delaware agency, has succeeded Burnet & Saulsbury in the management of that agency.

—The receipts of the Fidelity Mutual Life for the quarter ending June 30, 1907, (including $35,179 liens account of changed policies), amounted to $1,273,311. The excess of such receipts over disbursements amounted to $527,650. The death claims and payments to members amounted to $470,048. The new business written during the quarter amounted to $5,010,210, an increase of 8.3 per cent over the previous quarter.

—Riley W. Allen, a veteran of the old guard of the agency force of the Travelers, having served the company faithfully for nearly twenty-eight years, a record of loyal service and successful effort seldom attained, has resigned as manager of the life and accident departments for the northern central district of Pennsylvania. Mr. Allen will continue in the service of the company as general agent of the life department at Williamsport.

—One of the laws enacted by the last New Jersey Legislature provides that there shall be added to the board of directors of every stock life insurance company of the State three directors, who shall be policyholders and not stockholders. In pursuance of this requirement, Chancellor Magie has made the following appointments: Dr. Edward J. Ill of Newark, for three years; Colonel Edwin A. Stevens of Hoboken, for two years, and Isaac F. Roe of Newark, for one year.

—At an agency dinner in Reading, Pa., late in January, John L. McCormick and Oliver N. Lenhardt of the Travelers chose sides, eight on a side, from the agents in attendance, and it was agreed that the side securing the greatest amount of new life, accident, health and liability business, written from that time to July 1, and paid for to the company on or before July 20, should be given a dinner by the losers. It has been a strenuous contest from start to finish, and Judge Lenhardt's side won out.

—The Pittsburg agency of the Equitable Life of New York is keeping up its splendid record under the new restrictions placed upon New York companies by the new laws recently enacted in this State. During the first six months of 1907 this agency forwarded to the society $5,701,527 of new business, an increase of $1,119,627, or 24.4 per cent over the same time of last year, or as much as was written last year up to August 30. During four of the first six months it exceeded the corresponding months of last year, the May business exceeding by $111,812 the previous record of that month in the twenty-seven years of the agency. The new paid premiums exceeded those of the first half of last year by 22 per cent. Manager Edward A. Woods of the Pittsburg agency has always maintained a high record for his agency, but the record thus far in 1907 stands out most prominently in view of the unsettled condition of the business during the past year.

—Manager Edward A. Woods, of the Pittsburg agency of the Equitable Life of New York, reports that the business of the first six months of 1907 is of exceptional quality, and that many of the country's shrewdest and most successful men are willing to insure, as is evidenced by the unprecedented record of the agency as to large policies. There have been placed upon the books of the agency this year policyholders to be added to its list of those carrying $50,000 and over, two cases of $250,000 each, two of $150,000 each, seven of $100,000 each, three of $75,000 each, and one of $50,000. Including previous insurance held by some of them, there have been placed upon the books of the agency in the last six months policyholders as follows: One for $350,000, one for $300,000, one for $270,000, one for $250,000, one for $186,000, one for $150,000, one for $115,000, one for $105,000, seven for $100,000, one for $75,000, one for $63,000, and one for $50,000. This record has never been equaled in the Pittsburg agency. Included in this business is a transaction with one firm purchasing $500,000 insurance on various members, with premiums aggregating $19,300 annually.

THE WEST.

Indiana National Life Insurance Company Making Progress and Branching Out.

The Indiana National Life Insurance Company of Indianapolis, Ind., which commenced business in January, this year, has written four millions of business so far this year, and has a well-organized agency force. The policies issued by this company are liberal and all provide for guaranteed annual dividends, beginning with the second payment.

The company has a capital stock of $200,000, $150,000 of which is paid in and the remainder is being sold in connection with insurance, the company having a very attractive stock proposition and is securing some of the best insurance men in the country to handle its stock proposition.

The company is now doing business in four States, and expects to open at least three more before the end of the year. The company has increased its assets from $125,000 the first of the year, to $270,000 July 1. Its stock is now selling at $17.50 per share, and it advanced from $12.50 a share in six months.

The officers of the company are all insurance men, and have formed some very attractive policies and literature, together with the stock proposition, which the company is selling, enabling their men in the field to sell a large volume of business.

—C. E. Rawson, president of the Des Moines Life, has been elected a member of the Association of Life Insurance Presidents.

—The Old Colony Life of Chicago has appointed O. H. Looney of Nashville general agent for Tennessee, Alabama, Mississippi and Arkansas.

—The organization of the Universal Life of St. Louis is to be pushed to completion by P. M. Starnes, former president of the National Life Insurance Company of the United States of America. Baird Pallett has resigned as manager

for Missouri of the same company, and will be associated with Mr. Starnes in the management of the Universal. Mr. Starnes will be president of the new company.

—The Pioneer Life of Fargo, N. D., has been organized, with a capital of $100,000. Governor Burke and a number of former State officials are interested in the company.

—President Geo. I. Cochran of the Pacific Mutual Life is to be congratulated on the success with which his company has met. Seven years ago the company had $27,000,000 of insurance in force, and on July 1 of this year the company passed the $100,000,000.

—The Continental Life Insurance and Investment Company of Salt Lake City, Utah, in a statement of its condition at the close of business June 30, 1907, reports: Admitted assets, $423,587; increase since January 1, 1907, $21,863; surplus, $68,688; increase since January 1, 1907, $25,371.

—The Northwestern Mutual Life is showing a phenomenal growth. The receipts for the first six months of 1907 were $885,003 ahead of the same period last year. On July 1 last the company had on its books 353,993 policies for $863,497,266, having added $34,020,744 since the beginning of 1907.

—The Progressive Life of Chicago, Ill., is being organized with an authorized capital of $250,000, and will work through a consolidated agency company, incorporated with an authorized capital of $500,000. The president of the company is F. W. Clisby; J. D. Karpinsky is vice-president, and R. J. Jeffs, secretary.

THE SOUTH.

—The American National Life of Galveston, Tex., has entered Georgia.

—The Rome Industrial Life of Rome, Ga., has deposited $100,000 with the State Treasurer and received its license.

—Edwin Chamberlain, manager of the Mutual Life of New York at San Antonio, Tex., is organizing a life insurance company with a capital of $1,000,000.

—The Southern Fidelity Life of Durham, N. C., has been organized recently, with a capital of $50,000 and chartered by the Secretary of State of North Carolina. This concern will operate among negroes.

—The Protective Life Insurance Company of Birmingham, Ala., has filed its charter in Jefferson County. Former Governor of Alabama, W. D. Jelks, is president, and Webb W. Crawford, president of the American National Bank, is treasurer. The paid-in capital is $100,000.

—An injunction has been issued in the Federal Court against Insurance Commissioner Folk of Tennessee restraining him from revoking the license of the State Mutual Life of Rome, Ga. The fight between the Department and the State Mutual is over the sale of special forms.

—The Dixie Life Insurance Company of Little Rock, Ark., which is capitalized at $200,000, has elected the following officers: L. W. Cherry, president; G. J. Barr, of Toledo, Ohio, first vice-president; W. W. Rightsell, second vice-president; S. A. Court of Columbus, Ohio, general manager; James H. Stephenson, secretary; R. M. Butterfield, treasurer; Roy D. Campbell, attorney; Drs. W. H. Miller and J. C. Cunningham, medical directors. The company will write non-participating life policies and accident policies.

MISCELLANEOUS LIFE NEWS.

The Insurance Year Book for 1907-1908.

The thirty-fifth annual issue of The Insurance Year Book has just been published by The Spectator Company. In its several annual issues this work has expanded with the growth of the insurance business, new features having been constantly added to its mass of information as the conditions demanded. Its present development is the result of a series of evolutions similar to those through which the insurance business itself has passed. Like most of the companies, it has grown in size and importance, and from a small volume of 100 pages or so, it has become a two-volume book, each containing more than 1000 pages. One volume is devoted to life, casualty and miscellaneous insurance, the other to fire and marine insurance. Both volumes are recognized as standard authorities in their several fields, and indispensable to every insurance man as works of reference. A condensed summary of the contents of each volume is herewith presented.

The Life, Casualty and Miscellaneous Volume.

Over 1000 pages are devoted to the data relating to life, casualty and miscellaneous insurance, all of which is carefully compiled from authoritative sources. The first section of the volume deals with the statutory requirements of the several States and Territories, giving a synopsis of the laws relating to the admission of life, casualty and miscellaneous companies, as well as assessment organizations and fraternal orders. The next section deals in an exhaustive manner with the transactions of foreign companies, showing in comprehensive form details of the business of life and casualty companies throughout the world. Canadian insurance interests are handled in a special department, covering the entire range of the business in the Dominion for a period of ten years.

The tremendous business transacted by the life insurance companies of the United States is analyzed from every point of view in a most elaborate series of tables, permitting comparisons of transactions from year to year. Among these tables may be mentioned the aggregates for each of the forty-eight years of the existence of the Insurance Department of the State of New York; payments to policyholders and accumulations for their benefit; the growth of industrial insurance; dividends paid to stockholders; also tables of percentages showing the rate of interest earned, expense rate and termination by surrender and lapse for a period of twenty years. These tabulations are of great interest, and instructive to all engaged in the life insurance business.

A valuable department of this volume of The Year Book is that given under the heading of life insurance history, and occupying upwards of 125 pages. In that department are shown the figures of all existing level premium companies of the United States, numbering over one hundred and fifty, year by year since organization, and covering the principal items of their annual statements. Much of the data given relating to the earlier years of many of the older organizations is unobtainable through any other work, and the whole constitutes a complete history of the business during the past sixty-five years. The life insurance compendium comprises a section of about one hundred pages, giving an analysis of the statements of the life insurance companies for the past two years in a most comprehensive manner. No State Department covers all the companies of the United States and The Insurance Year Book is the only publication that supplies full details of the official annual reports of every company from the smallest to the largest. The department of life insurance by States covers the transactions of the individual companies in each State and Territory for the past year, and is a feature of great interest, showing, as it does, the distribution of life insurance throughout the country. Other important and valuable features of this volume are given under the headings of the gain and loss exhibit for 1906, retired companies, directors, life underwriters organizations and list of actuaries, while the record of the year shows in handy form the numerous changes in companies and in company officials. A department covering many pages is devoted to important particulars relating to stipulated premium companies, assessment associations and fraternal orders, including also assessment accident and sick benefit societies, the statistics covering two years.

The section devoted to casualty and miscellaneous insurance is very complete, showing the statistics of the business by individual companies for the past ten years, also the business of each company in the several States and Territories during 1905, and the dividends paid to stockholders for twenty-five years. A valuable feature of this department is an extensive chapter on liability insurance, giving the history of its development, together with the rules and instructions promulgated by the liability conference. This information supplements the statistical exhibit and contains a large amount of useful information. There is included also a list of the directors of the various companies and an extensive list of field men with their several locations.

The Fire and Marine Volume.

The fire and marine volume of The Insurance Year Book for 1907-1908 embraces nearly 1400 pages of information of such variety and scope that it is likely to be referred to daily in the office of any enterprising fire underwriter. Many questions arise in the course of business to which the company official or manager, general, special or local agent desires a prompt answer, and it is probable that the latter will be readily found in one of the numerous divisions of The Insurance Year Book. It is important, therefore, that a copy of the latest edition of this valuable annual publication should be kept constantly at hand; it will save much time and correspondence.

The Insurance Year Book, fire and marine volume, is practically a compendium of the detailed statements of all fire and marine insurance institutions operating in the United States, both American and foreign, licensed and unlicensed. The latest detailed statements of the companies are included in the department entitled "Reports of Fire Insurance Companies," and they are subdivided into groups as follows: American Stock Fire and Marine Insurance Companies (li-

censed); Foreign Fire and Marine Insurance Companies (licensed in the United States); American Mutual Fire and Marine Insurance Companies; Underwriters Agencies; Lloyds and Reciprocal Underwriters Associations; Unlicensed American Fire Insurance Companies; Unlicensed Foreign Fire and Marine Insurance Companies; and data concerning each company are segregated, so that practically all desired information relating to a single company may be found by one reference. Some of the information thus given is mentioned below: Company officials, directors and general and special agents, with the territory covered; tabulation of the principal items of the statements for five years (mutual companies, three years); financial statement, as of December 31, 1906, showing character of assets and liabilities, with the amount of each class; risks and premiums in force; business since organization; descriptions of real estate holdings, with more or less detail as to cost, market values, etc.; descriptions of mortgage loans; details of securities for collateral loans; list of bonds and stocks owned, with par and market values; data concerning San Francisco conflagration losses, and consequent capital and surplus contributions, etc.

"Fire Departments and Water Supply" is the descriptive title of a division of The Insurance Year Book, fire and marine volume, which has been found exceedingly useful by fire underwriters desiring to ascertain the extent of the fire protection maintained in the various cities and towns of the United States and Canada. Although the data presented are condensed as much as they can be, intelligibly, and are set in small type, the matter relating to about 5000 cities and towns occupies over 500 pages, and would make a very respectable book in itself, well worth the price of the whole Year Book. Some of the details given are as follows, the department being arranged alphabetically by States, with the cities and towns in each in alphabetical order:

Name; population; fire area; mercantile buildings, materials and height; private, ditto; ordinances as to wooden roofs and combustibles; investigation of fires; average fire loss per year, three years; average insurance-involved; fire department equipment—numbers of steamers, engines on wheels, chemical extinguishers, hook and ladder trucks, aerial trucks, hose wagons, hose carriages, horses; quantity, kind and condition of hose; character of fire alarm; number of boxes; value of equipment; value of buildings; annual expenses, number of members, etc. As to water supply, the information covers source, distance, system, quality, reservoir capacity, pumping facilities, miles and sizes of mains; numbers of hydrants, valves, meters, services; pressure, domestic and fire; consumption; cost; bonded debt; interest; cost of maintenance; ownership. It will readily be seen that the information as above outlined is of a strictly utilitarian nature, and well calculated to convey a clear idea of the prevailing conditions in the respective municipalities.

Among the other departments are a list of surplus line companies and brokers, with the names and addresses of parties furnishing the policies of the respective companies; short rate cancellation tables in use in various sections of the country; premiums and losses in New York city for a series of years; statistics of fires in American cities; a list of State insurance officials, and dates of next sessions of State legislatures; list of automatic sprinklers and their manufacturers; stock companies writing tornado insurance; risks written and in force; National Board tables of risks, premiums, losses, expenses, taxation, ratios, etc.; par, book and market values of insurance companies stocks, with yearly dividend rates for twenty-five years; a list of companies which have retired in the last half century, and a list of those in the hands of receivers, with the names of the latter; a list of underwriters' organizations in all sections of the country, with their officers' names, etc.; data concerning fire insurance companies in foreign countries, compiled from special reports and other sources; a chapter devoted to insurance in Canada, and tabulations of the home office statements of British and other foreign companies for 1906.

The book also contains a directory of insurance agents throughout the United States and Canada, arranged by States and towns, which occupies over 200 pages, four columns to a page. This list, which is revised yearly, indicates the classes of business handled by each agency. There are also lists of independent fire loss adjusters, and a list of specially qualified insurance lawyers.,

Other features of the fire and marine volume are summaries of the Baltimore conflagration of 1904, and the San Francisco conflagration of 1906, including the losses sustained by individual companies therein; a list of large fires in the United States and Canada from 1700 to 1907, and a record of the year to June 15, embracing official changes, deaths, new companies, etc. The whole work is fully indexed; and no insurance library is complete without it—in fact, it should find a place on the desk of every fire underwriter in the country.

The Insurance Year Book sells at $6 per volume, singly, or at $10 for the two volumes, if ordered together. All orders should be addressed to The Spectator Company, 135 William street, New York.

Gain and Loss Exhibit for 1906.*

After having been a prominent topic of discussion for more than ten years before the National Convention of Insurance Commissioners, the Gain and Loss Exhibit was regularly adopted last year as a part of the uniform annual report blank for life insurance companies. Considerable time and labor had been devoted to preparing a suitable form of blank, and in its present shape every essential item is clearly shown. The objections raised by many company officials, and even by representatives of the State Insurance Departments, were all carefully considered, and while many of them were conceded to be valid it was felt that more good than harm would be accomplished by the compiling of the exhibit. Inasmuch as most of the companies have been obliged to compile this exhibit for one or more departments during the past twelve years the fact that they now have to do it for all makes little difference to them. Experience has made the work of compilation less difficult, and estimated items are fast disappearing from the exhibit, mainly because the blank in its present form takes account of every contingency that may arise. In the publication of the blank this year by the Insurance Departments it has, for the first time, legislative sanction—the amended laws of New York distinctly specifying it as a part of the annual report.

For twelve years this exhibit has been required by various State officials, during which time a number of changes have been made in it looking to its perfection. In the annual assembling of the data by The Spectator these changes have been duly provided for. The accompanying tables show first the principal items making up the exhibit for the individual companies for the year 1906, and, second, the percentages for each of the ten years ending with 1906. In the first set of tables the various credit and debit items are brought together so as to facilitate comparison, while the net gains and losses follow. The realized gain from insurance sources is shown separately, followed by the changes in market values, these two items making up the surplus earnings for the year. Additional items show the distribution of the surplus earned, a part of it going to policyholders in dividends or other credits, a part to stockholders as dividends on the capital, and the remainder to surplus account.

The extensive tabulations herewith cover the figures of fifty-two ordinary and six industrial companies for the year 1906, and are compiled from the statements submitted to the several Insurance Departments. The aggregate transactions of the fifty-two ordinary companies show a very material saving in the expense account, the insurance expenses to loading dropping to 87.21 per cent (as against 100.54 in the preceding year), which is the lowest point yet recorded. While this is partly due to the economies enforced in many companies, a considerable part of it is attributable to the heavy decline in the new business of the larger companies. It is scarcely to be expected, therefore, that there will be a much further decline in this percentage. Interest earnings to requirements show a gain of nearly 3.50 over the preceding year, which is due to better returns on investments, the profit and loss items included in the showing being very much smaller than in 1905. The mortality experience was again remarkably favorable, the percentage of actual to expected losses being the lowest since 1898. Returns under surrendered policies averaged approximately the same as in the preceding year. Nearly every company shows a decrease in the market value of investments, the total being over a million dollars greater than in the preceding year, although the loss then shown was mainly attributable to one company. The gains of the year were led by the savings from mortality, amounting to more than $31,000,000, excess interest earnings came next with nearly $25,000,000; over $14,000,000 were released by surrendered policies, while the saving

GAIN AND LOSS EXHIBIT FOR 1906.

NAME OF COMPANY	Ætna Life.	American Central.	Bankers Reserve.	Berkshire Life.	Canada Life.	Central of U. S. A.	Columbian National.	Connecticut General.	Connecticut Mutual.	Des Moines Life.
Divisible Surplus at Beginning of Year	$4,621,900	$229,143	$87,375	$1,061,428	393,403	$20,751	$373,337	$318,171	$4,897,647	$195,587
Loading Earned on Premiums and Annuities	1,926,748	242,579	248,664	566,882	745,641	139,292	457,072	187,487	1,055,601	313,261
Insurance Expenses Incurred	2,090,775	339,714	224,046	390,886	864,867	185,622	1,312,470	298,339	907,009	303,370
Percentage of Insurance Expenses to Loading	108.51	140.04	91.10	68.95	116.00	133.26	287.15	159.12	85.92	96.84
Net Investment Earnings, Including Interest and Profit and Loss, Less Investment Expenses (a)	3,162,055	50,571	32,998	587,942	1,369,569	27,919	100,932	288,404	2,521,375	73,323
Interest Required to Maintain Reserve (b)	2,477,231	42,203	20,260	548,898	1,067,329	23,853	72,957	220,100	2,106,231	58,029
Percentage of (a) to (b)	127.65	119.83	162.87	107.13	128.32	117.05	138.34	131.03	119.71	126.35
Expected Mortality Cost	2,621,426	207,002	116,731	707,377	1,167,491	88,948	402,584	306,390	2,394,937	312,492
Actual Net Mortality	1,809,355	59,520	41,861	491,290	767,535	38,453	174,932	162,701	1,768,536	187,211
Percentage of Actual to Expected Mortality	69.02	28.75	35.86	69.45	65.74	43.23	43.45	53.10	73.84	59.91
Reserves Released by Surrender and Lapse	1,309,113	222,013	10,724	527,591	241,362	26,900	209,616	125,365	758,195	86,244
Surrender and Lapse Values Allowed	1,039,565	224,628	5,856	497,591	164,990	20,436	13,469	88,536	680,588	67,069
Percentage of Reserves Returned on Surrenders and Lapses	79.41	101.18	54.61	94.31	68.36	75.97	6.43	70.63	89.76	77.77
Credits from Other Items	2,702	1,977	......	....	61,963	358	a706,389	6,807	18,788	......
Debits to Other Items	4,953	......	......	4,462	71,314	......	......	1,033	14,377	44,458
Source of Net Gains or Losses—										
Gain or Loss from Loading	—164,027	—97,135	24,618	175,996	—119,226	—46,330	—855,398	—110,852	148,592	9,891
Gain or Loss from Mortality	812,071	147,482	74,870	216,087	399,956	50,495	227,652	143,689	626,401	125,281
Gain or Loss from Surren'd & Lapsed Policies	269,548	—2,615	4,868	30,000	76,372	6,464	196,147	36,829	77,607	19,175
Gain or Loss from Surplus Interest	684,824	8,368	12,738	39,044	302,240	4,066	27,975	68,304	415,144	15,294
Gain or Loss from Other Sources	—2,251	1,977	......	—4,462	—9,351	358	a706,389	5,774	4,411	—44,458
Total Realized Gain	1,600,165	58,077	117,094	456,665	649,991	15,053	302,765	143,744	1,272,155	125,183
Gains or Losses on Investments	—184,018	37,004	—8,239	—150,050	—112,996	—12,397	—170,149	—46,239	—463,120	......
Surplus Earned During the Year	1,416,147	95,081	108,855	306,615	536,995	2,656	132,616	97,505	809,035	125,183
Dividends Applied During the Year	938,616	31,056	37,576	320,113	36,805	2,041	12,109	44,952	1,201,805	96,297
Special Funds	289,936	......	......	....	......	230	......	......	......	......
Dividends to Stockholders	267,561	8,210	......	1,785	81,500	......	46,111	18,000	......	......
Increase or Decrease in Surplus	—79,966	55,815	71,279	—15,283	418,690	385	74,397	34,553	—392,770	28,886
Divisible Surplus at End of Year	4,541,934	284,958	158,654	1,046,145	812,093	21,136	447,734	352,724	4,504,877	224,473

NAME OF COMPANY	Equitable, New York.	Equitable of Iowa.	Federal Life.	Fidelity Mutual.	Franklin Life.	Germania Life.	Hartford Life.	Home Life, New York.	Illinois Life.	Inter-State.
Divisible Surplus at Beginning of Year	$61,004,175	$448,413	$78,631	$1,046,736	$300,319	$2,497,200	$477,361	$1,204,400	$126,612	$208,100
Loading Earned on Premiums and Annuities	12,206,921	249,255	127,918	1,274,117	319,497	1,130,696	371,883	796,342	423,412	70,306
Insurance Expenses Incurred	9,027,011	250,018	189,669	1,270,707	377,557	1,227,282	330,688	1,006,447	483,508	177,912
Percentage of Insurance Expenses to Loading	73.95	100.31	148.26	99.73	118.17	108.54	88.92	126.39	114.19	224.61
Net Investment Earnings, Including Interest and Profit and Loss, Less Investment Expenses (a)	16,570,638	265,145	35,559	501,782	121,067	1,540,216	140,188	726,437	205,699	44,350
Interest Required to Maintain Reserve (b)	12,661,317	179,331	27,749	367,595	109,224	1,207,496	48,469	666,562	203,723	42,781
Percentage of (a) to (b)	130.88	147.86	128.14	136.50	110.85	127.55	289.23	108.98	100.97	103.67
Expected Mortality Cost	14,656,934	242,796	110,808	1,637,006	427,359	1,014,845	1,592,163	862,645	457,205	147,587
Actual Net Mortality	11,494,941	117,387	75,930	1,194,638	314,079	769,970	1,526,295	612,764	337,285	91,882
Percentage of Actual to Expected Mortality	78 43	48.35	68.53	72.97	73.50	75.87	95.86	71.03	73.77	62.26
Reserves Released by Surrender and Lapse	16,589,727	127,926	89,986	242,683	63,737	709,243	49,134	474,768	192,321	271,684
Surrender and Lapse Values Allowed	13,315,688	92,954	62,675	211,900	51,883	497,116	33,071	333,448	187,634	g287,646
Percentage of Reserves Returned on Surrenders and Lapses	80.26	72.67	69.65	87.32	81.40	70.09	67.31	70.24	97.56	105.88
Credits from Other Items	2,252,735	......	......	3,146	398	29,674	......	23,888	1,935	......
Debits to Other Items	787,598	327	......	37,857	......	66,111	11,398	41,391	......	......
Source of Net Gains or Losses—										
Gain or Loss from Loading	3,179,910	—763	—61,751	3,410	—58,060	—96,586	41,195	—210,105	—60,096	—107,606
Gain or Loss from Mortality	3,161,993	125,409	34,878	442,368	113,280	244,875	65,868	249,881	119,920	55,705
Gain or Loss from Surren'd & Lapsed Policies	3,274,039	34,972	27,311	30,783	11,854	212,127	16,063	141,320	4,687	—15,962
Gain or Loss from Surplus Interest	3,909,321	85,814	7,810	134,187	11,843	332,720	91,719	59,875	1,976	1,569
Gain or Loss from Other Sources	1,465,137	—327	......	—34,711	398	—31,454	—11,398	—17,503	1,935	......
Total Realized Gain	14,990,400	245,115	8,248	576,037	79,315	661,682	203,447	223,468	68,422	—66,294
Gains or Losses on Investments	—6,254,511	—16,960	43	—25,066	—9,270	—253,380	—34,619	—299,986	—47,603	14,269
Surplus Earned During the Year	8,735,889	228,155	8,291	550,971	70,045	408,302	168,828	—76,518	20,819	—52,025
Dividends Applied During the Year	7,414,930	269,232	4,485	389,140	2,778	544,177	103,404	254,233	40,121	......
Special Funds	—272,398	......	3,853	1,159	1,329	4,983	......	—225,000	......	......
Dividends to Stockholders	7,000	7,000	......	......	......	24,000	40,000	15,000	7,000	b27,217
Increase or Decrease in Surplus	1,586,357	—48,077	—47	160,672	65,939	—164,858	25,424	—120,751	—26,381	—79,242
Divisible Surplus at End of Year	62,590,532	400,336	78,584	1,207,408	366,258	2,332,342	502,785	1,083,649	100,221	128,858

NAME OF COMPANY	Manhattan Life.	Maryland Life.	Massachusetts Mutual.	Michigan Mutual.	Minnesota Mutual.	Mutual Benefit.	Mutual, New York.	National of U. S. A.	National of Vermont.	New England.
Divisible Surplus at Beginning of Year	1,500,817	$321,150	$3,344,395	$459,792	$116,935	$7,617,107	$2,850,000	$104,104	$839,937	$4,102,420
Loading Earned on Premiums and Annuities	634,889	71,030	1,884,193	363,663	102,348	3,236,763	12,245,665	451,101	1,155,984	1,384,454
Insurance Expenses Incurred	767,842	73,585	1,298,862	480,772	190,786	2,781,800	9,317,898	607,969	1,328,470	1,173,410
Percentage of Insurance Expenses to Loading	120.94	103.58	68.94	132.20	186.41	85.94	76.02	134.77	114.92	84.76
Net Investment Earnings, Including Interest and Profit and Loss, Less Investment Expenses (a)	773,803	111,468	1,786,338	421,250	84,505	4,569,690	19,922,979	257,519	1,584,263	1,620,904
Interest Required to Maintain Reserve (b)	709,934	89,562	1,510,054	369,756	75,744	3,526,347	14,907,702	202,952	1,234,147	1,475,892
Percentage of (a) to (b)	109.00	124.46	118.30	113.92	111.57	129.59	133.64	126.89	128.37	109.82
Expected Mortality Cost	897,740	88,791	2,102,981	532,378	338,791	4,380,000	17,293,983	392,627	1,525,523	1,904,855
Actual Net Mortality	714,834	82,601	1,430,059	383,134	290,985	3,089,510	12,969,274	236,144	1,019,757	1,224,240
Percentage of Actual to Expected Mortality	79.62	93 03	68.00	71.97	85.89	70.55	74.99	60.14	66.85	64.27
Reserves Released by Surrender and Lapse	580,456	56,029	852,143	240,403	91,757	2,083,217	12,009,460	176,121	987,882	1,007,978
Surrender and Lapse Values Allowed	378,258	38,525	706,562	219,703	82,370	1,878,943	8,859,092	123,516	810,694	886,194
Percentage of Reserves Returned on Surrenders and Lapses	65.17	68.76	82.92	91.39	89.77	90.19	73.77	70.13	82.06	87.92
Credits from Other Items	6,500	3,450	4,518	......	......	91,067	1,957,289	1,137	147,881	......
Debits to Other Items	16,442	4,608	......	14,688	.. ...	105,251	1,946,224	5,815	175,533	500
Source of Net Gains or Losses—										
Gain or Loss from Loading	—132,953	—2,555	585,331	—117,109	—88,438	454,963	2,927,767	—156,868	—172,486	211,044
Gain or Loss from Mortality	182,906	6,190	672,922	149,244	47,806	1,290,490	4,324,709	156,483	505,766	680,615
Gain or Loss from Surren'd & Lapsed Policies	202,198	17,504	145,581	20,700	9,387	204,274	3,150,368	52,605	177,188	121,784
Gain or Loss from Surplus Interest	63,869	21,906	276,284	51,494	8,761	1,043,343	5,015,277	54,567	350,116	145,012
Gain or Loss from Other Sources	—9,942	—1,158	4,518	—14,688	......	—14,184	11,065	—4,678	—27,652	—500
Total Realized Gain	306,078	41,887	1,684,636	89,641	—22,084	2,978,886	15,429,186	102,109	832,932	1,157,955
Gains or Losses on Investments	—58,648	—28,258	—428,802	—12,506	—10,927	—740,192	—5,817,939	—15,934	—224,558	—524,429
Surplus Earned During the Year	247,430	13,629	1,255,834	77,135	—33,011	2,238,694	9,611,247	86,175	608,374	633,526
Dividends Applied During the Year	83,579	16,701	1,086,421	36,327	10,412	2,130,002	2,858,341	37,299	223,297	722,346
Special Funds	......	—2,592	......	......	42,816	......	5,572,906	......	337,715	11,202
Dividends to Stockholders	16,000	6,000	......	25,000	......	......	......	......	......	......
Increase or Decrease in Surplus	147,851	—6,481	169,413	15,808	—86,239	108,692	1,180,000	48,876	47,362	—100,022
Divisible Surplus at End of Year	1,648,668	314,669	3,513,808	475,600	30,696	7,725,799	4,030,000	152,980	887,299	4,002,398

a Contribution to surplus. *g* Including $142,530 premium notes. *b* Paid on guaranty fund.

GAIN AND LOSS EXHIBIT FOR 1906—*Continued.*

NAME OF COMPANY	New York Life.	North American (Canada).	North-western Mutual.	Pacific Mutual.	Penn Mutual.	Phoenix Mutual.	Provident Life and Trust.	Provident Savings.	Reliance Life.	Reserve Loan.
Divisible Surplus at Beginning of Year	......	$541,136	$9,331,698	$110,174	$4,720,628	$907,151	$7,495,933	$414,511	$634,364	$111,739
Loading Earned on Premiums and Annuities	$18,011,509	307,656	6,759,798	1,277,267	3,289,445	716,391	1,280,259	1,123,158	81,621	164,351
Insurance Expenses Incurred	12,240,704	324,251	5,054,471	1,331,137	2,881,681	1,040,619	1,274,056	1,264,040	316,988	227,438
Percentage of Insurance Expenses to Loading	67.96	105.39	74.77	104.22	87.60	145.26	99.52	112.54	388.37	138.04
Net Investment Earnings, Including Interest and Profit and Loss, Less Investment Expenses. (a)	18,286,168	308,414	9,177,113	503,030	3,353,985	993,663	2,684,274	*b* 661,927	90,231	66,643
Interest Required to Maintain Reserve (b)	13,575,000	262,155	6,690,745	390,559	2,701,275	745,373	2,011,569	325,859	14,363	52,272
Percentage of (a) to (b)	134.70	117.64	137.16	128.80	119.46	133.31	133.44	203.13	628.34	127.49
Expected Mortality Cost	21,075,000	316,983	8,355,626	955,720	4,680,321	1,018,095	1,808,250	1,356,224	87,164	127,177
Actual Net Mortality	15,284,938	191,987	4,947,573	638,663	2,730,051	642,645	956,350	1,479,098	58,076	40,330
Percentage of Actual to Expected Mortality	72.53	60.57	59.21	66.82	58.33	63.12	52.89	109.06	66.63	31.71
Reserves Released by Surrender and Lapse	18,925,581	219,562	6,294,602	434,544	1,769,345	497,235	696,041	441,152	93,133	253,659
Surrender and Lapse Values Allowed	15,830,212	157,668	5,900,238	349,294	1,407,078	352,585	593,067	355,057	40,383	261,204
Percentage of Reserves Returned on Surrenders and Lapses	83.65	71.81	93.89	80.38	79.52	70.90	85.21	80.48	43.36	102.97
Credits from Other Items	1,267,317	6,906	33,556	*e*305,992	143,476	7,399	88,507	73,647	2,284	......
Debits to Other Items	1,321,579	12,431	41,779	54,233	247,589	......	66,065	150,245	100	......
Source of Net Gains or Losses—										
Gain or Loss from Loading	5,770,805	—16,595	1,705,327	—53,870	407,764	—324,228	6,203	—140,882	—235,367	—63,087
Gain or Loss from Mortality	5,790,062	124,996	3,408,053	317,057	1,950,270	375,450	851,900	—122,874	29,088	86,847
Gain or Loss from Surren'd & Lapsed Policies	3,095,369	61,894	394,364	85,250	362,267	144,650	102,974	86,095	52,750	—7,545
Gain or Loss from Surplus Interest	4,711,168	46,259	2,486,368	112,471	652,710	248,290	672,705	336,068	75,868	14,371
Gain or Loss from Other Sources	—54,262	—5,525	—8,223	*e*251,759	—104,113	7,399	22,442	—76,598	2,184	......
Total Realized Gain	19,313,142	211,029	7,985,889	712,667	3,268,898	451,514	1,656,224	81,809	—75,477	30,586
Gain or Losses on Investments	—4,134,346	—24,274	—1,827,159	—5,203	—559,335	—72,162	—466,464	136,563	—1,013	307
Surplus Earned During the Year	15,178,796	186,755	6,158,730	707,464	2,709,563	379,352	1,189,760	218,372	—76,490	30,893
Dividends Applied During the Year	5,955,161	83,688	6,304,165	249,136	1,847,912	361,567	1,205,827	188,143	1,845	20,413
Special Funds	9,223,635	—7,627	......	......	......	—86,366	......	......	......	540
Dividends to Stockholders	......	6,000	......	62,500	......	......	......	......	......	......
Increase or Decrease in Surplus	......	104,694	—145,435	395,828	861,651	104,151	—16,067	30,229	—78,335	9,880
Divisible Surplus at End of Year	......	645,830	9,186,263	506,002	5,582,279	1,011,303	7,479,866	444,740	556,029	121,619

NAME OF COMPANY	Royal Union.	Security Life of America.	Security Mutual. N. Y.	State Life.	State Mutual. Mass	Sun of Canada.	Travelers.	Union Central.	Union Mutual.	United States.
Divisible Surplus at Beginning of Year	$150,355	$4,566	$520,985	$605,317	$2,636,850	$1,735,698	$2,206,969	$8,103,707	$708,442	$60,210
Loading Earned on Premiums and Annuities	169,467	100,286	545,971	816,599	1,035,740	1,107,523	568,528	1,556,840	566,455	288,160
Insurance Expenses Incurred	215,899	190,909	649,429	1,068,115	798,107	1,204,033	1,163,790	1,684,814	771,921	299,124
Percentage of Insurance Expenses to Loading	127.39	190.35	118.95	130.80	77.06	108.71	204.70	108.22	136.27	103.80
Net Investment Earnings, Including Interest and Profit and Loss, Less Investment Expenses. (a)	96,893	*h*56,389	166,548	230,453	1,107,324	1,021,687	1,704,023	2,987,885	459,518	414,145
Interest Required to Maintain Reserve (b)	66,128	13,310	102,899	145,746	985,251	735,407	1,327,120	1,612,563	445,508	345,954
Percentage of (a) to (b)	146.52	423.67	161.86	158.14	112.39	138.93	128.40	185.29	103.14	119.71
Expected Mortality Cost	154,740	102,981	609,000	749,528	1,212,032	865,962	1,682,102	2,250,292	676,065	426,185
Actual Net Mortality	78,612	39,532	558,834	489,049	721,106	717,360	1,120,160	1,432,536	470,909	392,657
Percentage of Actual to Expected Mortality	50.81	38.39	91.76	65.25	59.50	82.84	66.59	63.66	69.64	92.13
Reserves Released by Surrender and Lapse	51,181	51,704	110,380	170,535	746,834	553,322	791,612	516,318	497,038	422,779
Surrender and Lapse Values Allowed	47,531	45,196	54,778	166,539	660,198	297,139	421,693	354,760	363,776	278,892
Percentage of Reserves Returned on Surrenders and Lapses	92.87	87.41	49.63	97.66	88.40	53.70	53.27	68.71	73.18	65.97
Credits from Other Items	......	21,998	4,577	......	2,550	88,561	12,493	12,030	5,489	9,124
Debits to Other Items	......	587	293	15,142	5,416	86,434	19,405	13,861	1,529	20,154
Source of Net Gains or Losses—										
Gain or Loss from Loading	—46,432	—90,623	—103,458	—251,516	237,633	—96,510	—595,262	—127,974	—205,466	—10,964
Gain or Loss from Mortality	76,128	63,449	50,166	260,479	490,926	148,602	561,942	817,756	205,156	33,528
Gain or Loss from Surren'd & Lapsed Policies	3,650	6,508	55,602	3,996	86,636	256,183	369,919	161,558	133,262	143,887
Gain or Loss from Surplus Interest	30,765	43,079	63,649	84,707	122,073	286,280	376,903	1,375,322	14,010	68,191
Gain or Loss from Other Sources	......	21,411	4,284	—15,142	—2,866	2,127	—6,912	—1,831	3,960	—11,030
Total Realized Gain	64,111	43,824	70,243	82,524	934,402	596,682	706,590	2,224,831	150,922	223,612
Gains or Losses on Investments	......	—1,854	—30,389	98,391	—150,004	395,340	—309,371	—10,006	—285,334	—131,543
Surplus Earned During the Year	64,111	41,970	39,854	180,915	784,398	992,022	397,219	2,214,825	—134,412	92,069
Dividends Applied During the Year	22,094	11,206	17,196	106,606	589,618	208,659	40,349	863,273	176,869	95,890
Special Funds	6,659	......	......	......	24,110	278,064	*d*366,033	7,720,267	—1,980	......
Dividends to Stockholders	7,000	......	......	......	......	15,750	......	10,000	......	30,800
Increase or Decrease in Surplus	28,358	30,764	22,658	74,309	170,670	489,549	—9,163	*n*—6,378,715	—309,301	—34,621
Divisible Surplus at End of Year	178,713	35,330	543,643	679,626	2,807,520	2,225,247	2,197,806	1,724,992	399,141	25,589

NAME OF COMPANY	Wash-ington.	Wisconsin Life.	Totals 52 Companies.	Industrial Companies. Baltimore Life.	John Hancock.	Metro-politan.	Mutual of Baltimore.	Prudential.	Western and Southern	Totals 6 Companies.
Divisible Surplus at Beginning of Year	$607,234	$17,955	$142,472,968	$280,846	$3,956,636	$14,181,579	$69,787	$14,045,812	$15,054	$32,549,714
Loading Earned on Premiums and Annuities	549,692	15,874	84,716,254	294,957	6,590,420	23,314,387	136,451	20,631,272	698,771	51,666,258
Insurance Expenses Incurred	573,108	31,088	73,885,013	292,913	5,888,359	19,792,783	118,581	15,500,049	682,436	42,275,121
Percentage of Insurance Expenses to Loading	104.26	195.89	87.21	99.31	89.35	84.90	86.90	75.13	97.66	81.82
Net Investment Earnings, Including Interest and Profit and Loss, Less Investment Expenses. (a)	698,392	8,613	104,573,206	42,543	1,661,535	6,634,805	17,275	4,815,226	81,066	13,252,450
Interest Required to Maintain Reserve (b)	680,597	6,759	79,689,840	27,641	1,220,765	5,462,300	16,251	3,378,630	75,371	10,180,958
Percentage of (a) to (b)	102.61	127.43	131.23	153.91	136.11	121.47	106.30	142.52	107.56	130.17
Expected Mortality Cost	667,003	21,643	108,130,488	107,143	4,625,900	12,859,693	107,489	10,772,716	327,154	28,800,095
Actual Net Mortality	529,097	12,447	77,009,113	120,574	4,132,300	13,338,019	121,240	11,204,314	370,511	29,286,958
Percentage of Actual to Expected Mortality	79.33	57.50	71.22	112.54	89.33	103.72	112.79	104.06	113.25	101.69
Reserves Released by Surrender and Lapse	599,259	24,427	74,574,021	14,290	962,990	4,940,006	2,499	3,819,866	55,194	9,794,845
Surrender and Lapse Values Allowed	407,168	12,295	60,217,351	3,866	606,018	1,772,682	956	1,961,373	8,463	4,353,358
Percentage of Reserves Returned on Surrenders and Lapses	67.95	50.34	80.75	27.05	62.93	35.89	38.26	51.35	15.33	44.45
Credits from Other Items	41,871	810	7,551,189	2,707	377	77,408	......	50,490	......	130,982
Debits to Other Items	30,237	......	5,441,419	2,727	......	100,069	......	53,817	......	156,613
Source of Net Gains or Losses—										
Gain or Loss from Loading	—23,416	—15,214	10,831,241	2,044	702,061	3,521,604	17,870	5,131,223	16,335	9,391,137
Gain or Loss from Mortality	137,906	9,196	31,121,375	—13,431	493,600	—478,326	—13,751	—431,598	—43,357	—486,863
Gain or Loss from Surrendered & Lapsed Policies	192,091	12,132	14,356,670	10,424	356,972	3,167,324	1,543	1,858,493	46,731	5,441,487
Gain or Loss from Surplus Interest	17,795	1,854	24,883,366	14,902	440,770	1,172,505	1,024	1,436,596	5,695	3,071,492
Gain or Loss from Other Sources	11,634	810	2,109,770	—20	377	—22,661	......	—3,327	......	—25,631
Total Realized Gain	336,010	8,748	83,302,422	13,919	1,993,780	7,360,446	6,686	7,991,387	25,204	17,391,622
Gains or Losses on Investments	—150,969	—19,500	—23,447,805	—15,334	—274,627	—2,826,462	—4,765	—1,758,120	—4,391	—4,883,699
Surplus Earned During the Year	185,041	—10,752	59,854,617	—1,415	1,719,153	4,533,984	1,921	6,233,267	20,813	12,507,923
Dividends Applied During the Year	95,084	1,708	37,395,004	3,515	1,160,375	4,254,764	......	1,545,021	......	6,963,675
Special Funds	......	......	23,289,474	......	147,808	91,319	......	......	......	239,127
Dividends to Stockholders	......	......	711,434	......	......	140,000	......	200,000	5,000	345,000
Increase or Decrease in Surplus	89,957	—12,428	—1,541,295	—4,930	410,970	47,901	1,921	4,488,246	15,813	4,960,121
Divisible Surplus at end of Year	697,191	5,527	140,931,673	275,915	4,367,606	14,229,480	71,708	18,534,058	30,867	37,509,835

b Including profit and loss item of $349,353; ratio exclusive of that amount is 95.92. *d* Supplementary contracts. *e* Including $300,000 premium on capital.
h Including profit and loss $38,474; ratio exclusive of that amount is 134.60. *n* Decrease caused by reporting accumulated surplus as special funds.

PERCENTAGES OF GAIN AND LOSS EXHIBIT FOR TEN YEARS.

COMPANIES.	Percentage of Insurance Expenses to Loading.										Percentage of Interest Earned to Interest Required.									
	1897.	1898.	1899.	1900.	1901.	1902.	1903.	1904.	1905.	1906.	1897.	1898.	1899.	1900.	1901.	1902.	*1903.	*1904.	*1905.	1906.
Ætna Life	101.91	105.21	109.29	116.20	107.49	112.15	105.18	110.10	108.94	108.51	166.41	158.20	143.28	132.25	136.71	127.82	119.32	120.48	119.38	127.65
American Central	..	----	----	----	----	----	----	----	132.66	140.04	----	----	----	----	----	----	----	----	266.23	119.83
Bankers of Nebraska	211.36	262.72	219.43	----	----	----	----	----	148.73	----	407.71	151.12	98.89	----	----	----	----	----	140.02	----
Bankers Reserve	----	----	----	----	----	----	----	144.16	96.15	91.10	----	----	----	----	----	----	----	66.36	111.28	162.87
Berkshire	95.62	94 29	90.93	90.27	85.24	----	----	----	----	68.95	128.13	127.57	113.97	115.08	120 09	----	----	----	----	107.13
Canada	80.74	89.49	101.72	122.06	103.52	146.42	159.27	158.59	161.82	116.00	112.96	112.49	100.85	105.83	128.80	153.64	135.65	135.85	138.33	128.32
Central Life	----	----	----	----	----	----	----	117.13	154.21	133.26	----	----	----	----	----	----	----	182.99	153 61	117.05
Columbian National	----	----	----	----	----	----	----	165.91	106.79	287.15	----	----	----	----	----	----	----	162.70	126.23	138.34
Connecticut General	208.43	209.93	216.41	223.05	202.14	162.40	176.92	179.42	185.85	159.12	145.62	135 74	104.52	136.91	120.03	123.03	73.75	124.43	135.06	131.03
Connecticut Mutual	68.07	71.46	84.81	88.20	88.61	87.92	84.76	82.00	85.47	85.92	137.30	130.04	115.34	136.76	121.08	103.59	106.62	112.72	119.16	119.71
Des Moines Life	----	----	----	----	----	97.84	86.03	97.99	105.69	96.84	----	----	----	----	----	119.53	100.00	121.98	129.48	126.35
Equitable, New York	82.24	85.49	94.91	82.83	83.28	92.11	96 70	90.45	98.65	73.95	147 00	184.54	150.95	155.16	138.94	133.59	126.05	126.82	139.95	130.88
Equitable of Iowa	144.61	156.56	151.68	133.58	136.00	113.32	97.64	96.59	97.19	100.31	226.23	233.17	194.40	170.66	178.56	150.23	138 36	149.59	148.59	147.86
Federal	----	----	----	----	----	----	----	122.80	156 88	148.26	----	----	----	----	----	----	----	203.80	184.14	128.14
Fidelity Mutual	----	----	99.71	101.81	94.84	99.90	98.29	99.99	99.58	99.73	----	----	101.06	110.25	96.63	113.28	122.56	117.86	81.42	136.50
Franklin	----	----	102.80	99.99	104.56	----	----	----	125.24	118.17	----	----	472.48	101.28	137.82	----	----	----	116 55	110 85
Germania	94.27	96 41	100.23	91.90	96.84	114.44	111.95	114 31	109.44	108.54	143.53	132.28	116.44	125.48	132.91	147 99	119.18	120.79	122.92	127.55
Hartford	----	----	87.68	121.88	119.22	126.81	112 28	107.61	116.20	88.92	----	----	71.61	887.44	454.07	577.46	445.50	384.21	405.64	289 23
Home	126.67	122.42	117.51	131.61	130.50	131.67	129.20	120.13	113.71	126.39	127.71	122.78	149.36	116.68	126.59	114.77	109.22	114.80	121.24	108 98
Illinois Life	----	----	----	----	----	----	----	----	117.40	114.19	----	----	----	----	----	----	----	----	126.68	100.97
Inter-State	----	----	----	----	----	----	----	93.06	136.28	224.61	----	----	----	----	----	----	----	127.25	352.42	103.67
Kansas City	----	----	----	----	----	----	----	----	109.36	----	----	----	----	----	----	----	----	----	144.22	----
Manhattan	117.43	127.12	123.72	127.54	135.91	140.48	136.85	136.98	134.78	120.94	131.88	127.14	103.43	159.76	126.08	116.48	110.30	129.07	117.59	109.00
Maryland Life	----	----	----	----	----	----	----	----	----	103.58	----	----	----	----	----	----	----	----	----	124.46
Massachusetts Mutual	87.99	88.73	85.40	82.40	83.04	85 36	77.46	76.02	74.63	68.94	129.03	138.82	111 10	127.04	110.46	100.14	105.67	114.98	107.42	118.30
Michigan Mutual	122.68	139.44	132.92	126.44	119.74	123.06	122.58	127.39	133 98	132.20	112.38	98.13	97.64	125.93	123.80	115.60	116.65	113.12	111.53	113.92
Minnesota Mutual	----	----	----	----	----	142.54	177.95	139.94	158.81	186.41	----	----	----	----	----	128.84	139.19	125.51	110.55	111.57
Missouri State	----	----	----	----	----	----	----	----	125.77	----	----	----	----	----	----	----	----	----	163.43	----
Mutual Benefit	75.37	77.56	74.98	73.77	82.10	82.85	81 96	85.71	80.76	85.94	134 45	131.34	124.06	115.75	114.26	105.78	113 80	119.73	121.54	129.59
Mutual, New York	97.58	98.29	115.41	111.28	112.45	111.65	110.65	109.34	98.08	76.02	141.42	175.14	177.84	152.00	156.09	124.68	115.27	121.10	108.80	133.64
National of U. S. of A.	----	----	----	----	189.58	178.85	170.69	146.13	150.97	134.77	----	----	----	----	328.51	503.15	103.45	167.22	90.55	126.89
National of Vermont	116.79	122.43	127.97	122.45	114.16	116.05	121 25	127.39	123.81	114.92	102.11	108.96	105.08	107.75	94.95	110.88	118.02	113.09	116.28	128.37
New England	110.72	98.31	87.90	82 74	89.97	90.24	96 12	94.14	93.04	84.76	140.52	137.80	124.04	110.33	128.70	103.79	111.65	111.01	117.91	109.82
New York	93.83	93.80	95.50	98.05	98.85	99.73	101.90	99.77	93.91	67.96	126.32	148.45	141.56	129.89	132.03	100 50	126.18	123.35	130.13	134.70
North American (Canada)	----	----	----	----	----	----	----	----	----	105.39	----	----	----	----	----	----	----	----	----	117.64
Northwestern Mutual	81.91	84.66	89.30	80.45	80.85	78.57	76 55	82.14	80.53	74.77	158.98	160.93	133.42	147.51	133.62	122.15	123.85	141.74	143.88	137.16
Pacific Mutual	140.76	120.36	124.01	155.93	129.90	152.30	99.80	112.85	116.98	104.22	114.70	140.98	118.30	206.12	295.41	190 53	140.55	125.51	116.39	128.80
Penn Mutual	83.36	86.04	79.77	75 97	84.56	93.44	78.92	83.26	87.56	87 60	109.95	130.86	125 64	116.30	118.62	102 55	110.62	112.33	130.65	119 46
Phœnix Mutual	164.54	163.47	175.28	138.86	126.99	136 38	123 59	128.57	134.44	145.26	129.43	142.80	132.68	139.49	124.62	120.12	126.95	125.31	123.40	138.31
Provident L. and T.	85.62	85.89	84.29	88.72	86.12	92.54	109.90	101.06	106.77	99.52	147.15	182.30	128.45	141.68	128.94	124.03	129.24	144.41	158.61	133.44
Provident Savings	129.60	114.85	138.32	109.23	110.96	101.61	108.22	122.47	112.93	112.54	232.52	208.94	201.35	161 00	188.27	116.07	146.25	241.50	129.76	203.13
Reliance	----	----	----	----	----	----	----	654.37	530.84	388.87	----	----	----	----	----	----	----	1320.81	852 45	628.34
Reserve Loan	----	----	----	----	----	----	----	----	122.20	138.04	----	----	----	----	----	----	----	----	119.98	127.49
Royal Union	----	----	----	----	----	----	----	----	124.56	127.39	----	----	----	----	----	----	----	----	140.93	146.52
Security Life of America	----	----	----	----	----	----	----	----	156.83	190.35	----	----	----	----	----	----	----	----	55.28	423.67
Security Mutual	----	----	----	134.66	101.48	144.86	137.00	146.16	125.70	118.95	----	----	----	1920.37	49.84	209.35	138.66	154.20	131.47	161.86
State Life	----	96 50	96.90	97 77	98.28	105.16	110.15	113.32	117.62	130.80	----	145 60	174.34	177.92	132 40	141.09	148.25	214.61	140.61	158.14
State Mutual	96.34	107.17	95.77	90.92	93.76	96.93	97.00	87.92	89.59	77 06	100.62	146.32	127.92	134.56	130.27	127.53	128.62	113 29	119.45	112 39
Sun Life (Canada)	----	----	----	----	----	----	----	----	----	108.71	----	----	----	----	----	----	----	----	----	188.93
Travelers	160.10	470.11	423.11	345.63	322.93	285.04	207.00	226.49	169.36	204.70	113.69	155.50	127.88	141.35	111.92	95.40	127.52	120.87	121.21	128.40
Union Central	124.00	131.62	137.58	128.07	128.25	118 94	111.39	113.44	118.42	108.22	160.42	132.23	143.39	152.82	164.36	165.84	168.21	170.35	188.25	185.39
Union Mutual	159.87	164.98	158.57	156.35	133.88	133.01	131.65	132.70	129.85	136.27	126.90	137.37	138.57	123.48	124.32	112.80	94.78	85.36	107.87	103.14
United States	130.13	138.45	126 66	130.53	137.91	154.81	126.65	118.04	120.10	103.80	138.03	156.47	127.60	130.28	108.22	110.45	95.94	109 85	140.94	119.71
Washington	127.41	140.50	114.95	116.82	113.78	106.09	127.27	143.56	119.14	104.26	102.80	128 00	129.15	108.69	97.17	101.24	106.80	97.38	103.36	102.61
Wisconsin	----	----	----	----	----	----	----	107.76	116.26	195.89	----	----	----	----	----	----	----	165.65	138.06	127.43
Averages	95.07	97.74	102.62	98.22	98.88	101.87	102.39	102.25	100.54	87.21	138.19	157.54	142.57	139.19	139.12	120.22	121.19	125.24	127.73	131.23
Industrial Companies.																				
Baltimore Life	----	----	----	----	----	----	----	----	----	99.31	----	----	----	----	----	----	----	----	----	153.91
John Hancock	91.57	94.66	87 06	86.20	89.89	90.86	89.52	91.50	97.58	89.35	99.05	150 78	126.68	135.18	122.83	117.70	130 43	133.63	126.41	136.11
Metropolitan	78.43	87.21	95.77	88.94	92 44	94.18	92.08	94.77	91 34	84.90	80.83	154.57	157.92	116.41	144.96	89.60	112.25	102.93	125.34	121.47
Mutual of Baltimore	----	----	----	----	----	----	----	----	----	86.90	----	----	----	----	----	----	----	----	----	106.30
Prudential	85.01	86.90	97.96	94.08	95.00	92.48	93.78	88.05	80.55	75.13	136.21	123 07	115.30	133.55	85.68	151.39	117.82	126.35	133.37	142.52
Western and Southern	..	----	----	----	----	----	----	----	----	97.66	----	----	----	----	----	----	----	----	----	107.56
Averages	82.66	88.29	95.76	91.03	93.21	92.99	92.38	91.61	87.59	81.82	104.08	142 30	137.84	127.01	122.29	113.92	116.50	114.72	128.15	130.17

* Exclusive of increase or decrease in market value.

COMPANIES.	Percentage of Actual to Expected Mortality.										Percentage of Reserves Returned on Surrenders.									
	1897	1898	1899	1900	1901	1902	1903	1904	1905	1906	1897	1898	1899	1900	1901	1902	1903	1904	1905	1906
Ætna Life	80.61	66 37	72.17	64.05	67.61	68.11	65.61	67.18	66.03	69 02	110.46	80.34	78.75	81.18	84.08	80.80	79.43	80 25	81.85	79.41
American Central	----	----	----	----	----	----	----	----	45.48	28.75	----	----	----	----	----	----	----	----	98 90	101.18
Bankers of Nebraska	29.14	50,66	39.98	----	----	----	----	----	29,19	----	36.32	29.69	22.30	----	----	----	----	----	43 05	----
Bankers Reserve	----	----	----	----	----	----	----	25.07	40.16	35.86	----	----	----	----	----	----	----	21.97	48.86	54.61
Berkshire	62.17	75.76	76.11	66.29	81 81	----	----	----	----	69.45	89.22	88 89	91.39	90.99	93.36	----	----	----	----	94.81
Canada	68.08	70.45	70.41	79.99	76.70	67.84	72.99	74.48	76.50	65.74	59.09	59.53	56.45	72.53	51.86	76.72	50.71	52.11	71.49	68.36
Central Life	----	----	----	----	----	----	----	43.85	31.05	43 23	----	----	----	----	----	----	----	82.11	67.11	75.97
Columbian National	----	----	----	----	----	----	----	57.31	51.96	43.45	----	----	----	----	----	----	----	0.02	21.31	6.43
Connecticut General	62.61	48.38	51.44	54.45	38.78	55.29	64.16	56.28	64 55	53.10	85.21	78.99	76.13	65.26	74.71	83.10	67.62	77.92	73.58	70.63
Connecticut Mutual	84.47	76.88	77.85	82.60	74.98	77.40	80.14	89.67	78.44	73.84	87.56	90.70	89.71	90.00	88.55	89.18	90.24	90.27	91.27	89.76
Des Moines Life	----	----	----	----	----	70.50	60.60	51.25	51.52	59.91	----	----	----	----	----	58 32	58.55	71.04	74.59	77.77
Equitable, New York	81.76	90.53	93.37	86.41	86.10	86.04	89.89	80.06	79.60	78.43	64.32	81.07	82.27	81.35	83.90	86.64	83.88	87.67	82 84	80 26
Equitable of Iowa	76.96	56 93	37.29	35.01	74.54	69.14	58.46	68.30	48.13	48.35	90.58	89.52	63.13	41.68	55.22	72.48	55.11	74.13	79.33	72.67
Federal	----	----	----	----	----	----	----	38.97	31.70	68.53	----	----	----	----	----	----	----	106.12	96.47	69.65
Fidelity Mutual	----	----	121.38	97.03	71.74	77.64	68.09	70.33	71.98	72.97	----	----	55.81	94.19	89.87	83.09	79.18	84.44	92.65	87.32
Franklin	----	----	82.23	74.00	88.71	----	----	----	67.32	73.50	----	----	----	121.02	117.44	----	----	----	58.59	81.40
Germania	80.69	84.78	91.22	78.85	86.68	74.48	73.97	73.73	76.33	75.87	80.95	81.86	78.46	76.95	70.05	70.19	67.57	67.34	69.13	70.09
Hartford	----	----	91 18	91 20	70 03	96.80	101.08	98.61	96.12	95.86	----	----	107.90	12.27	79.74	5.33	5 29	20.58	62.55	67.31
Home	81.44	86,34	74.89	61.18	78.94	73.08	71.98	80.41	64.43	71.03	52.40	56.61	52.60	54.02	49.48	49.49	48 25	51.86	61.40	70.24
Inter-State	----	----	----	----	----	----	----	42.36	45.16	62.26	----	----	----	----	----	----	----	98.34	98.93	105.88
Illinois Life	----	----	----	----	----	----	----	----	77.80	73.37	----	----	----	----	----	----	----	----	78.21	97.56
Kansas Life	----	----	----	----	----	----	----	----	17.65	----	----	----	----	----	----	----	----	----	93.45	----
Manhattan	93.17	91.24	79.40	83.65	36.42	76.91	75.55	75.79	72.20	79.62	85.80	76.96	81.68	83.84	83.09	80.77	70.57	74.48	72.22	65.17

PERCENTAGES OF GAIN AND LOSS EXHIBIT FOR TEN YEARS—Continued.

COMPANIES.	Percentage of Actual to Expected Mortality.										Percentage of Reserves Returned on Surrenders.									
	1897	1898	1899	1900	1901	1902	1903	1904	1905	1906	1897	1898	1899	1900	1901	1902	1903	1904	1905	1906
Maryland Life	----	----	----	----	----	----	----	----	---	93 03	----	----	----	----	----	----	----	----	----	68.76
Massachusetts Mutual	58.39	81 47	77.83	63.58	71.50	59.83	64.29	70.23	81.27	68.00	77.56	85.01	81.02	83.51	88.48	82.91	84.90	82.71	82.54	82.92
Michigan Mutual	79.29	70.30	69.48	71.06	97.25	78 93	72 03	79.01	69.14	71.97	78.23	74.24	86.06	76.92	78.88	85.78	90 17	91.31	92.35	91.39
Minnesota Mutual	----	----	----	----	----	82.18	71.82	78.66	73.82	85.89	----	----	----	----	---	25.45	88.05	80 12	85.02	89.77
Missouri State	----	----	----	----	----	----	----	----	66.21	---	----	----	----	----	----	----	----	--	84.95	--
Mutual Benefit	79.15	72.12	78.97	77.46	74.75	74.49	78.85	80 88	79.09	70.55	91.14	91.44	92.86	88.41	88.58	88.65	88.54	88.07	88.19	90.19
Mutual, New York	76.56	78.96	92.89	73 94	75.78	72.98	80.63	83 87	83.25	74 99	79.00	74.22	76.75	78.74	69.94	67.85	69.06	68.15	64.03	73.77
National of U. S. of A	----	----	----	----	57.41	70.00	74.80	78.47	67.96	60.14	----	----	----	----	117.31	100 08	52.65	80.29	79 96	70.13
National of Vermont	64.05	57.06	73 24	65 76	67.35	70 74	60.42	55.91	68.01	66.85	90.15	91.91	94.40	79.91	74.07	72.87	83.90	78.84	77 97	82.06
New England	77.72	75.17	68.00	66.08	69.58	76.73	74.40	66.95	67.05	64.27	97.90	90.74	90.39	91.85	91.73	89.57	87.40	87 32	93.64	87.92
New York	84.75	79.80	86.52	78.17	88.10	80.79	74.18	82.29	77.75	72.53	80.26	79.15	77.15	76.94	78.16	81.65	77.56	83.93	85.48	83 65
North American (Can.)	----	----	----	---	----	----	----	----	----	60.57	----	----	----	----	---	----	----	----	----	71.81
Northwestern Mutual	61 33	62 21	61.45	63 02	63.72	60.94	66.27	66.37	67.37	59.21	77.13	77.44	73.67	75 52	84.59	85.28	87.15	89.19	90.34	93 89
Pacific Mutual	87.90	68.16	57.51	87.44	75.23	77.08	63.18	55.00	62.94	66.82	62.03	61.12	59.74	39.01	64.07	69.77	98.31	88.98	86.85	80.38
Penn Mutual	66.93	65.56	74.95	70.93	83.18	73.76	65.74	68.59	71.72	58.33	85.90	87.71	81.56	85 06	79.65	76 08	83.10	78 56	92.72	79.52
Phœnix Mutual	59.46	68.70	76.55	72 00	71.61	61.22	77.20	73.17	67.19	63.12	73.66	76.17	74 24	68.78	70.19	73.03	75 40	73 41	74.39	70.90
Provident L. and T.	54.04	70.09	65 20	59.30	53.17	53.19	62.70	50.17	52.74	52.89	81.28	83.83	89.45	82.37	85.75	84.69	91 76	84.60	89.26	85 21
Provident Savings	91.07	72.79	79.88	95.33	95.02	87.85	86.62	98.43	92.29	109.06	65.46	53.01	82.29	64.09	48.43	69.78	86.88	99.84	96.64	80.48
Reliance	----	----	----	----	----	----	----	25.86	76.39	66.63	----	----	----	----	----	----	----	----		43.36
Reserve Loan	----	----	----	----	----	----	----	----	17.82	31.71	----	----	----	----	----	----	----	----	93.59	102.97
Royal Union	----	----	----	----	----	----	----	----	50.17	50.81	----	----	----	----	----	----	----	----	132.35	92.87
Security Life of Am.	----	----	----	----	----	----	----	----	36.84	38.39	----	----	----	----	----	----	----	----	120.00	87.41
Security Mutual	----	----	----	104.58	92.67	71 66	70.87	84.81	84.61	91 76	----	----	----	3 32	4.96	22.35	35.98	29.12	31.53	49.63
State Life	----	60 31	65.27	54.41	72.90	56.67	63.02	66.33	58.87	65.25	----	4.36	16.23	5.84	157.02	93.77	167.65	124.11	90.89	97.66
State Mutual	54.25	60.68	64.44	59.44	59.84	49.48	79.62	60.19	78.76	59.50	89.36	91.98	93.70	83.49	85.90	87.12	84 94	86.56	86.80	88 40
Sun Life (Can.)	----	----	----	----	----	----	--	----	----	82.84	----	----	----	----	----	----	----	----		53.70
Travelers	60.08	59.56	63.46	89 62	79.46	66.37	82.44	84.48	94.11	66 59	82.77	83.00	67.77	53.95	49.27	51.33	49.29	48.04	41.38	53.27
Union Central	75 98	64.23	57 27	69.35	59.46	56.47	58.02	64.15	55.59	63 66	80.08	92 18	80.12	79.16	85.59	87.80	86 04	80.43	84.56	68.71
Union Mutual	80.86	76.38	78.73	78.53	80.10	72.47	67.23	70 19	66.13	69.64	80.86	81.62	86.33	74.86	66.30	65.13	60.82	74.17	73·26	73.18
United States	80.10	79.45	104.24	92.96	74.94	83.17	84 54	100.99	107.96	92.13	65.00	66.53	76.08	75 51	62.93	59.59	53.29	67.13	73.49	65.97
Washington	83.39	83 90	79.89	97.55	120.74	87.77	89.96	86.73	92.64	79.33	68.93	77.77	84.54	50.99	47.19	50 66	51.03	61.93	72.30	67.95
Wisconsin	----	----	----	----	----	---	----	95.58	71.56	57.50	----	----	----	----	----	----	----	95.01	98.42	50.34
Averages	76.90	70.62	82.86	76 64	78.46	75.40	77.08	77.88	76.33	71.22	77.64	79.99	79.92	78.58	77.80	79 05	78.28	80.18	80.96	80.75
Industrial Companies.																				
Baltimore Life	----	----	----	----	----	----	----	----	----	112.54	----	----	----	----	----	----	----	----	----	27.05
John Hancock	92.54	92.63	109.38	103 10	92.92	84.61	88.79	89.64	83.11	89.33	57.32	54.58	62.98	67.18	87.09	91.51	82.28	83.83	59.42	62.93
Metropolitan	127 47	122.46	116.42	117.18	113.93	107.44	110.54	113.91	108.27	103.72	43.84	36.97	51.13	42.48	33.33	28.15	27.64	26.19	34.03	35.89
Mutual of Balt.	----	----	----	----	----	----	----	---	----	112.79	----	----	----	----	----	----	---	----	----	38.26
Prudential	131.15	122.16	118.66	115.41	112.92	110.23	117.68	114.99	107.24	104.06	32.60	30.80	30.03	30.15	25.36	23.89	28.06	33.65	46.45	51.55
Western & Southern	----	----	----	----	----	----	----	----	----	113 25	----	----	----	----	----	----	----	----	----	15.33
Averages	122.02	116.41	114 77	113.96	110.14	104.49	109.28	110.23	103.46	101 69	40.91	37.35	43.21	39.92	33.90	30.18	31.51	33 36	41.52	44.45

COMPANIES.	Percentage of Surplus Earned to Mean Reserves.									
	1897	1898	1899	1900	1901	1902	1903	1904	1905	1906
Ætna Life	3.35	4.10	Loss	2.64	2.95	2.43	1.91	2.85	2.83	2.07
American Central	----	----	----	----	----	----	----	----	5.24	7.57
Bankers of Nebraska	23.76	Loss	0.41	----	----	----	----	---	7.95	----
Bankers Reserve	----	----	----	----	----	----	----	17.37	19.69	20.79
Berkshire	4.69	3.69	3.05	3.71	3.33	----	----	----	----	2.21
Canada	4.52	3 93	2.55	0.38	2.51	2.52	0.70	2.57	2.01	1.84
Central Life	----	----	----	----	----	----	----	9.83	Loss	0.56
Columbian National	----	----	----	----	----	----	----	28.99	16.84	7.83
Connecticut General	2.18	2.73	1.13	2.27	2.36	1.72	1.26	2.03	1.08	1.74
Connecticut Mutual	2.86	2.84	1.91	2.45	2.18	1 41	0.15	2.35	2.19	1.37
Des Moines Life	----	----	----	----	---	4.25	11 12	18.48	1.58	8.63
Equitable, New York	5.61	5.34	3.18	3.91	3.29	2.85	1.13	4.60	Loss	2.49
Equitable of Iowa	4.60	5.77	6.69	6.20	3.50	3.67	6.51	4.52	5.80	5.09
Federal	----	----	----	----	----	----	----	8.20	6.13	1 33
Fidelity Mutual	----	----	Loss	1.37	13.91	9.64	9.79	10.35	5.80	5.65
Franklin	----	----	18.84	6.53	1 67	----	----	----	3.65	2.72
Germania	3.28	2.57	1 51	2.51	2.45	2.76	1.52	1.83	1.61	1.31
Hartford	----	----	12.38	16 25	2.90	6.91	4 45	6.64	7.16	6.89
Home	2.87	2.40	2.38	2.71	2.14	1.94	0.45	3.47	2.27	Loss
Illinois Life	----	----	----	----	----	----	----	----	1.48	0.38
Inter-State	----	----	----	----	----	----	----	8 27	3.73	Loss
Kansas City	----	----	----	----	----	----	----	----	9.25	----
Manhattan	1.60	1.43	1.02	2.73	0.92	1.02	0.60	2.78	1.05	1.42
Maryland Life	----	----	----	----	---	----	---	----	----	0.60
Massachusetts Mutual	5.38	4.13	3.24	4.71	3.42	3.62	3.20	5.08	3.17	3.36
Michigan Mutual	2.02	1.41	0.80	2.31	0.56	1.03	1.37	0.70	0,71	0.83
Minnesota Mutual	----	----	----	----	----	Loss	Loss	0.01	Loss	Loss
Missouri State	----	----	----	----	----	----	----	----	3.53	----
Mutual Benefit	3.78	3.98	3.38	3.27	3.03	2.68	2.40	3.09	2.71	2.41
Mutual, New York	3.95	5.00	3 38	3.37	3 45	2.50	Loss	4.53	1.77	2.43
National of U. S. of A.	----	----	----	----	4.72	1.95	5.98	0.21	1.98	1.68
National of Vermont	2.29	1 67	0.71	1.83	1.86	2.04	2.04	2.72	1.96	1.92
New England	2.51	3.16	3.30	3.01	3.29	1.96	0.91	3.34	3 11	1.72

COMPANIES.	Percentage of Surplus Earned to Mean Reserves.									
	1897	1898	1899	1900	1901	1902	1903	1904	1905	1906
New York	2.98	4.27	3.43	3 37	2.71	1.92	1.08	2.60	3.21	3.89
North American (Can.)	----	----	----	----	----	----	----	----	----	2.83
Northwestern Mutual	5.88	5.60	4.39	5.05	4.26	3.87	3 67	5.28	4 06	3.44
Pacific Mutual	3.73	3.31	3.24	3.89	8.19	3.92	3.82	4.00	5.46	7.13
Penn Mutual	3 87	5.32	4.98	4.17	3.37	2.57	3.54	4.50	3 88	4.06
Phœnix Mutual	2.37	2.30	0.81	2.42	2.50	2.41	1.82	2.25	2.00	1.90
Provident L. & Trust.	4 60	5.26	3.15	3.93	3.44	3.19	0 34	5.55	2.87	2.35
Provident Savings	1.48	22.50	4.36	2.69	6.46	5 90	3.38	1.66	0 53	2.59
Reliance	----	----	----	----	----	----	----	Loss	Loss	Loss
Reserve Loan	----	----	----	----	----	----	----	----	6.94	2.14
Royal Union	----	----	----	----	----	----	----	----	3.80	4.51
Sec. L. & A. of Am.	----	----	----	----	----	----	----	----	Loss	10.81
Security Mutual	----		----	41.42	24.46	6.79	3 02	Loss	0.76	1.26
State Life	----	52.77	36.41	38.41	16.85	12.17	5.52	10.26	4.60	4.81
State Mutual	3.29	4.30	3.67	4.53	4.04	4.22	1.52	4.24	2.87	3 14
Sun Life (Can.)	----	----	----	----	----	----	----	----	----	4.88
Travelers	2.27	Loss	Loss	0.17	0.70	0.77	Loss	1.47	1.69	1.11
Union Central	3.11	2.46	3.64	3.06	4.07	4.82	5.12	4.66	5.69	5.18
Union Mutual	0.74	1.08	0.69	1.10	1.35	1.65	Loss	1.80	2.02	Loss
United States	3.13	3.51	0.21	0.84	1.22	1.08	1.61	2.45	0.15	1.11
Washington	0.92	0.97	1.75	1.44	0.09	1.91	0.43	0.20	0.84	1.06
Wisconsin	----	----	----	----	--	----	----	0.48	4.52	Loss
Averages	2.54	4.29	2.93	3.41	3.28	2 55	1.19	3.72	2.13	2.80
Industrial Companies.										
Baltimore Life	----	----	----	----	----	----	----	----	----	Loss
John Hancock	5.74	7.02	4.71	5.32	5.47	6.25	5.31	5.72	5.47	5.03
Metropolitan	4.70	6.10	2.68	4.08	4.49	2.89	1 26	5.07	3.39	3.15
Mutual of Baltimore	----	----	----	----	----	----	----	----	----	0.56
Prudential	10.49	5.98	2.68	3.84	3.43	7.84	2.61	6 32	6 76	6.53
Western and Southern	----	----	----	----	----	----	----	----	----	1.09
Averages	6.52	6.08	3.03	4.22	4.27	5.01	2.26	5 58	4 82	4.52

effected in the loading was nearly $11,000,000. The total gain realized from insurance sources was $83,302,422, which is nearly fifty per cent more than in the year 1905. After deducting the losses and depreciation on investments, amounting to $23,447,805, the actual surplus earnings of the year appear as $59,854,617. There was credited to policyholders in dividends $37,395,004, and special funds were increased by $23,289,474. Dividends to stockholders amounted to $711,434, while the divisible surplus at the end of the year shows a decrease of $1,541,295. This decrease, however, is more apparent than real, as some companies this year reported as special funds amounts which previously had been included in the surplus, one company showing over $7,700,000 thus transferred. The industrial companies again show a more favorable experience as compared with the preceding year, every item on the insurance side of the accounts participating in the gain.

In previous years two columns have been shown in the percentage tables covering expenses and interest, one column including investment

expenses while the other omitted them. This year the percentages are shown net in both cases for each of the ten years, hence the gross column is no longer necessary. For the past four years the percentages of interest earnings to requirements do not include changes in market values. This presentation of the gain and loss exhibit is submitted to the insurance fraternity as the clearest and most convenient compilation on the subject, and from it may be gathered much valuable and instructive information.

—General Agent S. F. Woodman of the Travelers reports that the paid life business of the Boston office of the Travelers for 1907 to July 23 exceeds the total paid business for 1906, which was the largest year's business ever written and paid for by this office.

—Some particularly valuable papers are given in the July number of the Journal of the Institute of Actuaries. Hermann Julius Rickchel has one on "Comparative Bonuses;" John Mayhew Allen discusses "The Relation Between the Theories of Compound Interest and Life Contingencies;" George J. Lidstone writes on "The Rationale of Formulæ for Graduation by Summation," while John Spencer contributes a paper entitled "Some Illustrations of the Employment of Summation Formulas in the Graduation of Mortality Tables." There are also legal notes by Arthur Phys Barnard, a reprint of Robert Henderson's paper read before the Actuarial Society of America on "Frequency-Curves and Movements," and a summation of the aggregate returns of British life offices. This number may be obtained through The Spectator Company, 135 William street, New York, price $1 per copy.

Casualty, Surety and Miscellaneous

Manual of Liability Insurance.

"Manual of Liability Insurance" for 1907, published by The Spectator Company, contains the rates adopted by the conference of liability managers to take effect on January 1, 1905, a table of differential rates, history and statistics of liability and boiler insurance, forms of policies, policies of companies and riders for policies, child labor laws, statutory limitations for suits, loss reserves, premiums and losses of the leading companies for ten years, compiled to December 31, 1906, in accordance with the liability loss reserve law of Massachusetts. It is a handy guide to those engaged in the liability insurance business, constituting a work of ready reference for the solution of almost any question that may confront them. Price, $2.—The Insurance Press.

Victory for United States Fidelity and Guaranty.

A number of erroneous reports have been published relative to the outcome of the suit instituted against the United States Fidelity and Guaranty Company by the bondsmen of Thomas J. Chase, former treasurer of Meigs County, Ohio. The facts in the case are as follows:

Some misunderstanding arose from the verdict at Gallipolis, Ohio, in the case of F. B. Smith, representing former County Treasurer Thomas J. Chase's bondsmen, against the United States Fidelity and Guaranty Company of this city, in which the Fidelity Company won a victory. The verdict was in favor of the Guaranty Company and relieves the company of all liability on account of the disappearance of $15,000 from the treasurer's vault at the time Chase claimed to have been attacked by robbers, who, he said, locked him in the safe and took the money.

Twenty-seven Gallipolis men were on Chase's bond as treasurer. The United States Fidelity and Guaranty Company was under $15,000 bond to guarantee the county against loss by robbery. Chase claimed to have been robbed. He was tried in Wood county on the charge of having taken the money himself. The jury acquitted him. His bondsmen made the shortage good and then undertook to hold the Fidelity Company under its bond to indemnify the county against robbery.

They sued and the verdict was the outcome of that suit. The verdict held that there was no robbery, hence the company was not liable. The decision was against the bondsmen of Chase in their effort to make the company stand the loss and in favor of the company, whose bond was to protect the county from robbery.

Casualty Notes.

—The United American Life of Philadelphia has increased its capital to $150,000.

—The Norwich and London Accident has been licensed in Missouri, and Charles W. Reese has been appointed agent at Kansas City.

—Herman W. Koons, superintendent of the Western and Southern Life in the Pittsburg district, has resigned to become general manager of the Liberty Casualty Company of Pittsburg.

—W. Le Mar Talbot has been elected chairman of the executive committee of the Philadelphia Casualty Company and Charles J. Sproule has been elected treasurer. F. G. Noxsell, recently with the company at Buffalo, has been elected assistant secretary. Mr. Talbot is the second vice-president of the Fidelity Mutual Life and Mr. Sproule was formerly auditor of that company. No change has been made in the underwriting department, which will continue under the direction of Vice-President Boggs and Secretary Keelor.

—The Farview Casualty Company of Burlington, Vt., which was incorporated at the last session of the General Assembly, has completed organization. The company will write industrial, health and accident insurance. The officers are: J. A. Judkins of Northfield, president; H. C. Gleason of Burlington, vice-president; A. Chase of Richmond, secretary and general manager; G. A. Edwards of Richmond, treasurer; J. E. Cushman of Burlington, attorney; Walter Dale of Northfield, and John W. Cleveland of Northfield, auditors.

—The New Amsterdam Casualty Company has issued a new policy which covers indemnity for death or dismemberment occurring within 200 weeks and gives weekly indemnity from the time of accident to the time of death or dismemberment in addition to the principal sum. It also pays the beneficiary the principal sum under the doubling clause and also surgeons' fees for the assured or beneficiary; indemnity to each and every child of the assured, total indemnity up to the age of 70, for loss of time by involuntary quarantine, for convalescing period of illness and accumulations occurring annually for both weekly and death indemnity.

—Nicholas W. Muller, who has been made assistant secretary of the Casualty Company of America, was born in Metz, Lorraine, Germany, February 7, 1877. He received his early education at the College de Saint Arnould, Metz. In 1893 he came to the United States and took up his residence at Lockport, N. Y., where he continued his studies at the Lockport high school. In 1897 he entered the Columbia University of New York. In 1898, at the outbreak of the Spanish-American War, he enlisted in the Sixty-fifth Regiment, N. Y. N. G. After the war he enlisted in the Forty-second United States Volunteers, and served with that regiment until June, 1901, in the Philippines, in all capacities from private to second lieutenant. In the fall of 1901 he returned to Columbia University and finished his education as a member of the class of 1904. Since 1904 he has been with the Casualty Company of America, where he has gradually risen to his present position.

The Fire Insurance Code "Pyro."

The above is the title by which is designated a new cable and telegraph code, designed for the use of fire insurance companies and agencies. This code was compiled by expert codists, co-operating with practical fire underwriters, the result of their labors being the simplest, most convenient and comprehensive, and in every way the best special insurance code ever produced, and which has received the approval of prominent underwriters.

It is so arranged that any desired message can be sent, thousands of phrases which are likely to be used being provided so as to afford the greatest possible condensation; while a vocabulary enables the sender to codify any message not found among the special phrases. There are also spaces and letters arranged for the insertion of additional phrases. Numbers, moneys, percentages, etc., are so grouped and arranged, some in conjunction with phrases, that every requirement can be readily met. Checking systems are also included wherever they are likely to be wanted so that the chance of error in telegraphing is minimized to the utmost.

This code is extremely simple in its plan of construction and can be understood by any intelligent man after five minutes study. By its use cable and telegraph tolls may be greatly reduced, the privacy of dispatches preserved, and long letters may be condensed for telegraphing into a few words. The head office and the chief department and general agencies of every insurance company should be equipped with this code. Even if it should not be deemed essential for the economical conduct of the current business, the code should be at hand to meet the emergencies which are bound to arise from time to time, when instant and secret correspondence becomes necessary. In ordinary business, however, the code "Pyro" should be able to yearly save a company several times its cost, $25 per copy. It is sold to the American insurance world only by The Spectator Company, 135 William street, New York.

Note—The General Phrase Cipher Code "Tybo" is recommended for the use of life, casualty and miscellaneous insurance companies; price, $50 per copy.

TOO LATE FOR CLASSIFICATION.

—The Consolidated Casualty of Minneapolis has been licensed in Minnesota, and has deposited $100,000 with the State, as required by law.

THE SPECTATOR:

THE SPECTATOR, *established in 1868, is a weekly journal devoted to promoting the best interests of trustworthy insurance of all kinds. The subscription price for the United States, Canada and Mexico is Four Dollars per annum, postage prepaid. To all foreign countries in the Postal Union, Five Dollars per annum.*

THE SPECTATOR *has a larger circulation than any other insurance journal—and carries no "deadhead" subscriptions.*

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VOL. LXXIX. *THURSDAY, AUG.* 8, 1907. No. 6.

FIRE underwriters will note with regret that the fire losses in the United States and Canada in July last, as compiled by The Journal of Commerce, amounted to $18,240,150, or about $3,500,000 more than in June, 1907, $6,000,000 greater than in July, 1906, and $5,000,000 in excess of those of July, 1905. The total loss for the first seven months of 1907 are given as $135,717,650, which far exceeds the losses, other than those caused by the San Francisco conflagration, in the corresponding period of 1906, and is $29,000,000 greater than the loss in the first seven months of 1905. It will require five months of losses far below the average to bring the total for this year down to a normal basis.

TWENTY-FOUR prominent fire insurance companies have determined to contest the constitutionality of the Tennessee law requiring the annual payment to the Secretary of State of a tax based upon the amount of authorized capital, and ranging from a minimum of $5 to a maximum of $150. This tax on capital is in addition to a privilege tax on capital which is payable on admission only, and ranges from $40 to $240. They allege that, as the law levying a tax of 2½ per cent on premiums distinctly specifies that the 2½ per cent tax is "in lieu of all other taxes," the tax on capital is either repealed thereby, or the capital tax is levied in the exercise of the police power of the State, in which case only the exact (or approximate) cost of supervision should be collected, and a like sum should be charged for a like amount of work. In other words, as the work of filing and inspecting a statement showing a capital of $1,000,000 is identical with that showing but $100,000, there should be no discrimination in the charge for filing; and if there is such discrimination, it is unjust and violates the Fourteenth Amendment to the Constitution of the United States, which provides that "No State shall * * * deprive any person of * * * property without due process of law, nor deny to any person within its jurisdiction the equal protection of its laws." The tax burdens heaped upon the fire insurance companies are onerous enough without those which are obviously unjust and which are apparently in conflict with the laws of the State in which they are levied.

FROM time to time individuals, and sometimes companies, put forth documents of a statistical nature marked "compiled from THE SPECTATOR." Some of these documents are perfectly legitimate, but occasionally our attention is called to most misleading statements made in this manner. During the past week a document came into our hands purporting to show that new companies pay larger dividends to their policyholders than old companies. A sample copy bears the imprint "Compiled from SPECTATOR tables," which is correct as far as it goes; but the figures are entirely distorted from their true meaning and given a comparative form for which they were never intended, the utter absurdity of which is at once apparent. THE SPECTATOR wishes the insurance fraternity to clearly understand that all documents and canvassing literature issued from our presses bear the imprint of The Spectator Company, 135 William street, New York. Nor can we be held morally responsible or otherwise for misleading tables, circulated by agents anonymously, using THE SPECTATOR'S name without permission to give seeming authority to incorrect and misleading publications.

WHEN the bill to regulate the election of trustees for the mutual life insurance companies of the State was under discussion, Samuel Untermyer, counsel of the International Policyholders Committee, declared that, unless agents and other representatives of companies were prohibited from electioneering for the companies' nominees, his committee would give up the struggle. The bill has become a law, and it only prohibits agents and others from working for the "administration tickets" during business hours. This is really no restraint upon agents, as they do not recognize business hours. Yet Mr. Untermyer has not announced the dissolution of the committee of which he was chief engineer. When he was soliciting subscriptions to meet the expenses of that committee during the campaign, he promised a full statement of receipts and expenditures, but such a report has not yet been made public. The Mutual Life has announced that the expenses of the election for that company were about $150,000, and the New York Life states that it paid out $200,000, having a third more votes to canvass than did the Mutual. These figures include the expenditures that the law made mandatory upon the companies and are chargeable to their policyholders. Agents and others, it is known, spent considerable money in the campaign on their own responsibility, believing that upon the success of the "administration ticket" depended the future success of the companies and their individual welfare. Before dissolving his International Committee, will not Mr. Untermyer explain where he obtained and how he spent the hundreds of thousands of dollars in the election contest, wherein he was so badly beaten? Lawson of Boston has confessed to having spent over $100,000 in the contest, and the campaign had only begun when he withdrew. Mr. Untermyer has the floor.

ACTUAL VS. EXPECTED MORTALITY.*

SINCE the gain and loss exhibit for life insurance companies was first required, some twelve years ago, students of life insurance statistics have been enabled to obtain a more comprehensive idea of the management and practice of the companies. While it is admitted that the exhibit, even in its present improved form, does not and cannot do equal justice to all companies, yet some of its deductions influence adversely no particular company. That part of the exhibit showing the actual and expected mortality rate is generally fair to all companies, although those organizations which have in force a large volume of endowment insurance show slightly more favorable than those in which the life contracts predominate.

For many years the common method of showing the death rate of a life insurance company was by comparing the number of deaths with the mean number of policies in force, or the amount terminated by death with the mean amount in force. When applied to legal-reserve companies, this method is liable to be misinterpreted for several reasons. Where the bulk of the business has been in force for several years a high rate is shown, for naturally the terminations by death are proportionately greater in a company where the average age of the policies is considerably greater than in another institution. In companies of equal age the varying proportions of new business must also be considered in a tabulation of that nature.

Legal reserve companies base their premiums on a specified table of mortality, with a given rate of interest, hence the death strain may properly be measured by a comparison of the

PERCENTAGE OF ACTUAL TO EXPECTED MORTALITY.

COMPANIES.	1897	1898	1899	1900	1901	1902	1903	1904	1905	1906			Averages.		
										Expected	Actual	Ratio	1897 to 1901	1902 to 1906	1897 to 1906
Ætna Life	80.61	66.37	72.17	64.05	67.61	68.11	65.61	67.18	66.03	$2,621,426	$1,809,355	69.02	70.16	67.19	68.68
American Central	----	----	----	----	----	----	----	----	45.48	207,002	59,520	28.75	----	----	----
Bankers of Nebraska	29.14	50 66	39.98	----	----	----	----	----	29.19	------	------	----	----	----	----
Bankers Reserve	----	----	----	----	----	----	----	25.07	40.16	116,731	41,861	35.86	----	----	----
Berkshire	62.17	75.76	76.11	66.29	81.81	----	----	----	----	707,377	491,290	69.45	72.43	----	----
Canada	68.08	70.45	70.41	79.99	76.70	67.84	72.99	74.48	76.50	1,167,491	767,535	65.74	73.15	71.51	72.32
Central Life	----	----	----	----	----	----	----	43.85	31-05	88,948	38,453	43.23	----	----	----
Columbian National	----	----	----	----	----	----	----	57.31	51.96	402,584	174,932	43.45	----	----	----
Connecticut General	62.61	48.38	51.44	54.45	38.78	55.29	64.16	56.28	64.55	306,390	162,701	53.10	51.13	58.68	54.90
Connecticut Mutual	84.47	76.88	77.85	82.60	74.98	77.40	80.14	89.67	78.44	2,394,937	1,768,536	73.84	79.36	79.90	79.63
Des Moines Life	----	----	----	----	----	70.50	60.60	51.25	51.52	312,492	187,211	59.91	----	58.76	----
Equitable, New York	81.76	90.53	93.37	86.41	86.10	86.04	89.89	80.06	79.60	14,656,934	11,494,941	78.43	87.63	82.80	85.22
Equitable of Iowa	76.96	56.93	37.29	35 01	74.54	69.12	58.46	68.30	43.13	242,796	117,387	48.35	56 15	57.47	56.81
Federal	----	----	----	----	----	----	----	38.97	31.70	110,808	75,930	68.53	----	----	----
Fidelity Mutual	----	----	121.38	97.03	71.74	77.64	68.09	70.33	71.98	1,637,006	1,194,638	72.97	----	72 20	----
Franklin	----	----	82.23	74 00	88.71	----	----	----	67.32	427,359	314,079	73 50	----	----	----
Germania	80.69	84.78	91.22	78.85	86.68	74.48	73.97	73.73	76.33	1,014,845	769 970	75.87	84.44	74.88	79.66
Hartford	----	----	91.18	91.20	70.03	96.80	101.08	98.61	96.12	1,592,163	1,526,295	95.86	----	97 69	----
Home	81.44	86.34	74.89	61.18	78.94	73.08	71.98	80.41	64.43	862,645	612,764	71.03	76.56	72 39	74.47
Inter-State	----	----	----	----	----	----	----	42.36	45.16	147,587	91,882	62.26	----	----	----
Illinois Life	----	----	----	----	----	----	----	----	77.30	457,205	337,285	73.77	----	----	----
Kansas City Life	----	----	----	----	----	----	----	----	17.65	------	------	----	----	----	----
Manhattan	93.17	91.24	79.40	83.65	86.42	76.91	75.55	75.79	72.20	897,740	714,834	79.62	86.78	76.01	81.39
Maryland	----	----	----	----	----	----	----	----	---	88,791	82,601	93.03	----	----	----
Massachusetts Mutual	58.39	81.47	77.83	63.58	71.50	59.83	64.29	70.23	81.27	2,102,981	1,430,059	68.00	70.55	68.72	69.64
Michigan Mutual	79.29	70.30	69.48	71.06	97.25	78 93	72.03	79.01	69.14	532,378	383.134	71.97	77.48	74.22	75.85
Minnesota Mutual	----	----	----	----	----	82.18	71.82	78.66	73.82	338,791	290,985	85.89	----	78.47	----
Missouri State	----	----	----	----	----	----	----	----	66.21	------	------	----	----	----	----
Mutual Benefit	79.15	72.12	78.97	77.46	74.75	74.49	78.85	80.88	79.09	4 380,000	3.089,510	70.55	76.49	76.77	76 63
Mutual, New York	76.56	78.96	92.89	73.94	75.78	72.98	80.63	83.87	83.25	17,293,983	12,969 274	74.99	79 63	79.14	79.38
National of U.S. of A.	----	----	----	----	57.41	70.00	74.80	78.47	67.96	392,627	236,144	60.14	----	70.27	----
National of Vermont	64.05	57.06	73.24	65.76	67.35	70.74	60.42	55.91	68.01	1,525,523	1,019,757	66.85	65.49	64.39	64.94
New England	77.72	75.17	68.00	66.08	69.58	76.73	74.40	66.95	67.05	1,904,855	1,224,240	64.27	71.31	69.88	70.60
New York	84.75	79.80	86.52	78.17	88.10	80.79	74.18	82.29	77.75	21,075,000	15,284,938	72.53	83.47	77.51	80.49
North American (Can)	----	----	----	----	----	----	----	----	----	316,983	191,987	60.57	----	----	----
Northwestern Mutual	61.33	62.21	61.45	63.02	63.72	60.94	66.27	66.37	67.37	8,355,626	4,947,573	59 21	62.35	64.03	63.19
Pacific Mutual	87.90	68.16	57.51	87.44	75.23	77.08	63.18	55.00	62.94	955,720	638,663	66.82	75.25	65.00	70.13
Penn Mutual	66.93	65.56	74.95	70.93	83.18	73.76	65.74	68.59	71.72	4,680,321	2,730,051	58.33	72.29	67.63	69.96
Phœnix Mutual	59.46	68.70	76.55	72.00	71.61	61.22	77.20	73.17	67.19	1,018 095	642.645	63.12	69.66	68.38	69.02
Provident L. & Trust	54.04	70.09	65.20	59.30	53.17	53.19	62.70	50.17	52.74	1,808,250	956,350	52.89	60.36	54.34	57.35
Provident Savings	91.07	72.79	79.88	95.33	95.02	87.85	86.62	98.43	92.29	1,356,224	1,479,098	109.06	86.82	94.85	90.83
Reliance	----	----	----	----	----	----	----	25.86	76.39	87,164	58,076	66.63	----	----	----
Reserve Loan	----	----	----	----	----	----	----	----	17.82	127,177	40,330	31.71	----	----	----
Royal Union	----	----	----	----	----	----	----	----	50.17	154,740	78,612	50.81	----	---	----
Security Life of Am	----	----	----	----	----	----	----	----	36.84	102,981	39,532	38.39	----	----	----
Security Mutual	----	----	----	104.58	92.67	71.66	70.87	84.81	84.61	609,000	558,834	91.76	----	80.74	----
State Life	----	60.31	65.27	54.41	72.90	56.67	63.02	66.33	58 87	749,528	489,049	65.25	----	62.03	----
State Mutual	54.25	60.68	64.44	59.44	59.84	49.48	79.62	60.19	78.76	1,212,032	721,106	59.50	59.73	65.51	62.62
Sun Life (Can)	----	----	----	----	----	----	----	----	----	865,962	717,360	82.84	----	----	----
Travelers	60.08	59.56	63.46	89.62	79.46	66.37	82.44	84.48	94.11	1,682,102	1,120,160	66.59	70.41	78.80	74.62
Union Central	75.98	64.23	57.27	69.35	59.46	56.47	58.02	64 15	55.59	2,250,292	1,432,536	63.66	65.26	59 58	62.42
Union Mutual	80.86	76.38	78.73	78 53	80.10	72.47	67.23	70.19	66.13	676,065	470,909	69.64	78.92	69.13	74.03
United States	80.10	79.45	104.24	92.96	74.94	83.17	84 54	100.99	107.96	426,185	392,657	92.13	86.34	93.76	90.05
Washington	83 39	83.90	79.89	97.55	120.74	87.77	89.96	86.73	92.64	667,003	529,097	79.33	93 09	87.29	90.19
Wisconsin	----	----	----	----	----	----	----	95.58	71.56	21,643	12,447	57.50	----	----	----
Averages	76.90	70.62	82.86	76.64	78.46	75.40	77.08	77.88	76.33	103,130,488	77,009,113	71.22	77.10	75.58	76.34
Industrial Co's.															
Baltimore Life	----	----	----	----	----	----	----	----	----	107,143	120,574	112.54	----	----	----
John Hancock	92.54	92.63	109.38	103.10	92.92	84.61	88.79	89.64	83.11	4,625,900	4,132,300	89.33	98.11	87.10	92.60
Metropolitan	127.47	122.46	116.42	117.18	113.93	107.44	110.54	113.91	108.27	12,859,693	13,338,019	103.72	119.49	108.78	114.13
Mutual of Baltimore	----	----	----	----	----	----	----	----	----	107,489	121,240	112.79	----	----	----
Prudential	131.15	122.16	118.66	115.41	112.92	110.23	117.68	114.99	107.24	10,772,716	11,204,314	104.06	120.06	110.84	115.45
Western and Southern	----	----	----	----	----	----	----	----	----	327,154	370,511	113.25	----	----	----
Averages	122.02	116.41	114.77	113.96	110.14	104.49	109 28	110.23	103.46	$28,800,095	$29,286,958	101.69	115.46	105.83	110.65

amount at risk actually incurred by death with the sum expected to be incurred as shown by the mortality table in use. In making up the gain and loss exhibit the following items are called for on the credit side: Expected mortality on insurance; deduct expected mortality on reserve; expected mortality on net amount at risk. And on the debit side death losses incurred; deduct reserves released by death; actual net mortality on insurance. The difference between the expected mortality on net amount at risk and the actual net mortality on insurance is the saving effected on mortality, while the second item divided by the first gives the percentage of actual to expected mortality.

The accompanying table has been prepared on this basis and shows the percentages for a large number of companies year by year for a period of ten years, together with averages for two five-year periods and for the entire ten years. For the year 1906 the table shows, in addition to the ratio, the figures entering into the compilation. A very favorable mortality rate was experienced last year, the average being over five points lower than in the preceding year, and was next to the lowest for the ten years. In the period under consideration (1897-1906) the ordinary companies experienced an average saving of over twenty-three per cent on mortality, while seventeen exceeded twenty-five per cent, of which three were able to show gains of over forty per cent. In the case of industrial companies, it must be remembered that their mortality rate is naturally much higher than that of ordinary companies, their figures being made up on the ordinary mortality tables instead of on special tables based on industrial experience.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

The semi-annual statement of the Fidelity and Casualty shows a falling off in assets of $738,345 and $282,647 in surplus. At the same time the volume of business increased $380,752. A decline in value of securities amounting to $563,242 was responsible for the decreases shown above.

The New York Life paid in death claims during July $2,073,603, the number of deaths being 622. The principal causes of death are stated as: consumption 73, heart disease 72, Bright's disease 61, pneumonia 44, cancer and tumors 40, accidents 37. In the same month the company paid $2,320,282 to 3815 living policyholders.

NOTES FROM PHILADELPHIA.

The United American Life of this city, which is making a specialty of accident and health insurance, has appointed W. W. Pipes of Pittsburg as manager for the company's territory in that section of the State. Mr. Pipes has been the leading agent of the Prudential in Pittsburg and will continue to write life insurance for that company.

Riley W. Allen, who has been general agent of the Travelers Insurance Company for the Northern Central district of this State, will in future only represent the company as general agent of the life department at Williamsport.

At the convention of the Iron Moulders Union of North America, held in this city last week, the committee appointed to investigate the feasibility of establishing an insurance department in conjunction with the union reported favorably, and the resolution on a vote immediately taken was unanimously adopted. For the present the system and rates of the National Fraternal Congress will be adopted. Actuary F. D. Mead and National Financier Metcalf will be in charge of the work of organizing the new department. The only stipulation of the convention was that once started the association, which will be formally termed the "Iron Moulders Life Insurance Association," must be self supporting.

The Penn Mutual Life of this city made the largest July payment to the tax office. It amounted to $196.951 on its business of $49,237,754.

THE MIDDLE STATES.

July Business of the New York Life.

OVER $21,000,000 NEW INSURANCE WRITTEN.

At the suggestion of Second Vice-President E. R. Perkins, the agency force of the New York Life rolled up a large volume of business during July as a compliment to the newly elected president, Darwin P. Kingsley. In announcing the results, Mr. Perkins says that the month's work far out-distanced any month of the year in life insurance field men's results and fully measured up to the splendid deeds of past years. The names of all the agency force with the company are enrolled in a book with the records made by them in July, and they will be known hereafter as the Kingsley Guard. Their production for the month reached the handsome total of $21,000,000 new insurance written. President Kingsley has issued to the field force the following letter of thanks:

Vice-President Perkins was too modest in his estimate of business secured during the month of July. The total written business will easily reach $21,000,000.

This is a production per capita which equals the production during any contest waged by Nylic men since contests were inaugurated.

While I profoundly appreciate the sentiment which. to some extent at least, inspired the July work, I approved of the programme when it was announced chiefly because it presented an opportunity for the field men to re-establish themselves, to test the new conditions seriously, to discover the public mind, to reassure themselves as to the future. The contest has done all this. It was indeed worth while.

Some men can adjust themselves to changed conditions much more quickly than others. I could name a number of the larger producers of the company, from various parts of the United States and Canada, who have told me recently, and supported their statements by facts, that 1907 will be the best year they have ever had in the field. It does not necessarily follow that every man can do what some can, but the variety of territory and conditions covered by the reports of these men leads me to believe that substantially all our field force can do what these men are doing.

Beyond the lessons which it contains, the past is dead; the public is interested in the future. The public knows as it never knew before, that the New York Life is responsible and solvent. The public understands, as it never did before, what life insurance is. You have back of you the greatest life insurance plant in the world. After a period of trial and uncertainty, you have tested the conditions and you find them favorable. July ought to establish your level of production for the rest of the year.

For that part of your July work which included a tribute to me, I am sincerely thankful. The work of the month will, however, have a deeper meaning if I find at the close of 1907 that you have successfully and continuously advanced the cause of good life insurance.

Pennsylvania Mutual Life Reinsures Independence Mutual.

The Independence Mutual Life of Philadelphia has merged with the Pennsylvania Mutual Life of the same city, of which J. J. Coyle is president. The combined business will be continued in the name of the Pennsylvania Mutual Life.

Six of the directors of the Independence Mutual Life will be elected directors of the Pennsylvania Mutual. By this deal the Pennsylvania Mutual secures nearly $2,000,000 of additional insurance and the office building occupied by the Independence, at 1527 Chestnut street, Philadelphia.

Albany Notes.

In Governor Hughes' final round-up of the thirty-day bills, the following insurance measures received his approval:

Assemblyman Whitley's, amending the insurance law relative to discriminations in life insurance and to the privileges and protections to be accorded witnesses in all proceedings involving such discriminations.

Senator Davis', to permit life insurance corporations to issue other than the standard forms of life insurance policies, if the same are approved by the Superintendent of Insurance.

Insurance bills which the Governor allowed to die were the following:

Senator Fancher's, amending the penal code in relation to the privileges of witnesses in investigations and proceedings relating to rebates and allowances by life insurance corporations.

Senator Hill's, amending the insurance law relating to permitting the incorporation of beneficiary societies, orders or associations of persons

in the service of the same employer for the purpose of furnishing relief to members in case of sickness, disability or death.

Senator Wemple's, amending the insurance law in relation to securities guaranty corporations.

Senator Fancher's, amending the insurance law in relation to the payment of dividends or refunds by any domestic corporation, association or society, doing business subject to Article 6 of the insurance law.

Albany, August 5. LANCASTER.

—The North American Life of Newark has established a branch office in the American building at Baltimore, with Lawrence Priddy as resident director.

—H. C. McAlpin, general agent for the Provident Savings Life at Rochester, N. Y., has resigned and is succeeded by Charles Spaeth, transferred from the Buffalo office.

—On the application of various life insurance companies of New York, Superintendent Kelsey will set an early date for a hearing regarding the issuing of forms of policies other than the four standard forms established under the amended insurance law of 1906. Applications have already been received from the Buffalo Life, Metropolitan Life, Postal Life and Actuarial Society.

—A Civil Service examination for Examiner in the New York Insurance Department will be held August 23 and 24. Candidates will be examined in the following subjects: Accounting, including forms of financial statements, principles of accounting and method of verifying accounts; provisions and purposes of the insurance laws; experience, education and special qualifications. The salary is $2000 to $2500, and three appointments are expected to be made.

THE NEW ENGLAND FIELD.

The Complete Protection Policy of the Ætna Life.

EVERY CONTINGENCY PROVIDED FOR.

A new life policy has just been placed on the market by the Ætna Life Insurance Company, which may be safely said to cover every possible contingency that may arise in the physical or financial condition of the insured. The company has named it the "Complete Protection Policy," and even a cursory examination of it will show that the title is eminently fitting. The term complete protection implies protection under every conceivable circumstance without possibility of a sacrifice owing to untoward conditions, and this contract practically makes it impossible for the insured to suffer any loss even through negligence or oversight.

The various privileges and benefits that have been incorporated in life insurance policies in recent years are all included in this contract, and expressed in such clear language that there can be no possible dispute as to their meaning. Among these privileges may be mentioned the elimination of restrictions as to travel, residence and occupation; thirty-one days' grace in the payment of all premiums after the first; indisputability after one year; loan, cash, paid-up and extended values after two years; reinstatement at any time within five years after default in payment of premium; change of beneficiary and the maturity of all life contracts as endowments at age 85.

In the particulars relating to loan and surrender values the complete protection policy is specially liberal. Loans are allowed equal to the entire cash value of the contract, and the policy is not terminated by non-payment of interest until its entire value is consumed, nor until thirty days' notice thereof has been given by the company. All surrender and loan values are distinctly shown in the policy, so that the policyholder can always tell what value he is entitled to. After two years, in the event of non-payment of premium, the insurance is automatically extended, but the insured has the privilege of substituting for the automatic extension feature the automatic premium loan, whereby the premium not paid by the insured will, without further action by the owner, be paid by the policy. This feature will prove of inestimable value in the event of temporary financial stress making it a hardship for the insured to pay the premium.

TOTAL DISABILITY MATURES THE POLICY.

Perhaps the most valuable feature of the entire contract is that looking to the relief of the insured in the event of total disability. When accident or illness causes the total disability of an insured person, the life insurance carried, while needed more than ever, becomes a financial burden and in many cases has to be sacrificed in order to meet current needs of the insured or dependents. By the complete protection policy this sacrifice is not only rendered unnecessary, but the insurance becomes at once a valuable asset by establishing a sure provision for the insured's future. When total and permanent disability occurs the holder of this form of contract is immediately relieved from further payment of premium and twelve months after proof of such disability has been furnished the company will commence to pay the sum insured, either in annual instalments or in the form of a life annuity, at the option of the insured. The same provision is also made for the total and permanent loss of sight, the loss of both hands or both feet, or of one hand and one foot. An applicant for this form of contract may therefore entirely eliminate from consideration the possibility of losing his insurance in the event of his being totally and permanently disabled.

Other valuable features of this contract relate to dividends (when taken on the participating plan) which may be paid annually in cash, or in either of three other ways at the option of the insured. They may also be applied to reduce the number of premiums or to hasten the maturity of the policy as an endowment. At maturity a number of options of settlement are available, including payment in one sum, or in a limited number of annual instalments from five to forty, or in equal annual instalments for twenty-five years and thereafter during the entire life of the payee, or in an annuity certain, while under endowment contracts instalments may be made payable to the insured and beneficiary jointly so long as either of them shall live.

Agents of the Ætna Life have in this policy one which should prove an easy seller, as there can be no argument against its merits, while the clear language in which its various benefits and privileges are presented will cause it to be readily comprehended. A novel feature in connection with the complete protection policy is an index to its several provisions, by which the insured can readily determine the advantages accruing to him at any specified time or under any particular set of circumstances. The officials of the Ætna have reason to be proud of such a comprehensive contract, while its success in the field seems to be assured. A complete copy of this contract appears in the First Supplement to The Handy Guide for 1907, which will be issued in a few days by The Spectator Company, 135 William street, New York.

—Major Z. C. Rennie has been appointed general agent for Massachusetts by the Washington Life, with headquarters at Boston. He succeeds James F. Cavanagh.

—Sidney M. Hedges, general agent of the Mutual Benefit Life at Boston, has appointed John A. Voodry as superintendent of agents. He was born in White River Junction, Vt., May 14, 1868, and the early part of his life up to eighteen years of age was spent in that State. After engaging in mercantile pursuits for some years, he entered the life insurance business, which occupation he has since followed. During his life insurance experience he has represented several different companies as special agent in Lawrence, Lowell and Boston, also New York, Chicago and San Francisco, dealing exclusively with men of means and writing many policies for large amounts. Mr. Voodry's first position as general agent in Boston was for the National Life under James T. Phelps & Co., where, during a period of five years, he paid for over $1,250,000 of insurance. January 1, 1901, he established a special general agency at 45 Milk street, doing business under the title of "life insurance expert," which he has continued to the present time, paying for over $2,000,000 of insurance, the larger part of which has been placed with the Mutual Benefit Life through Col. Sidney M. Hedges, general agent for Eastern Massachusetts. It is a well-known fact that Mr. Voodry has insured more prominent Bostonians for large amounts than any other agent in the city.

THE WEST.

—George E. Sprout has been appointed manager of the Provident Savings Life at St. Louis, succeeding W. H. Herrick, who resigned to go with the Massachusetts Mutual.

—State Auditor Billheimer of Indiana states that he will issue a license to the Ohio State Life of Columbus. This will permit the consolidation of the Jefferson Life of Indianapolis and the Ohio State.

—The Bankers Life Association of Des Moines, Ia., issued $3,800,000 of new insurance in the month of July, 1907, which is an increase of $1,120,000 over the new issue for corresponding month of 1906.

—At a recent meeting of the newly chartered Interocean Life and Endowment Company of Kansas City, Mo., Wm. E. Schilling of Laporte, Ind., was elected president. Mr. Schilling will take charge about August 15. He was formerly Indiana manager of the Travelers at Indianapolis.

—The Western Mutual Life of Council Bluffs, Ia., a new company having recently started business, has applied for membership in the American Life Convention. President C. M. Atherton states that his company will make an active canvass for both agents and business, and will issue policies on the participating plan.

—A. G. Hahn has been appointed actuary of the Colorado Insurance Department under the new law. Mr. Hahn is the son of the associate actuary of the Equitable Life. He began his actuarial work with the Metropolitan Life in New York, and has since been with the Conservative Life, which was merged with the Pacific Mutual.

—D. M. Baker, third vice-president of the Pacific Mutual Life, announces the following appointments: John A. Bassford, general agent at Grand Rapids,

Mich.; Graham B. Lownsbury, general agent for Toledo and vicinity; Herman Fellinger of the Security Mutual at Cleveland, and P. J. Waters, formerly with the Provident Savings Life at Joliet, Ill.

—The Pacific Mutual Life Insurance Company wrote $12,712,227 of new business during the first six months of 1907, which is nearly $600,000 more than was written during the corresponding period of last year. An increase of nearly $3,000,000 insurance in force was made during the first six months, and on June 30 last the books showed a grand total of $100,324,377 in force.

—The Indiana National Life has given up the fight for permission to carry out the terms of the special contract holders of the old Central Union Life. The company has agreed with State Auditor Billheimer, and will not insist on its right to issue special contracts. The company also raised its rates on the three per cent so-called guaranteed policy to a point that is regarded sound by the State Department.

THE SOUTH.

Greensboro Life Issues a New Contract.

The Greensboro Life of Greensboro, N. C., has placed in the hands of its field force a new contract which it calls the Guaranteed Accumulation Policy. It combines the greatest amount of protection with the most liberal and attractive features, and is issued on the ordinary life, twenty-payment life and twenty-year endowment plans. Every guaranteed accumulation policy carries a provision for a guaranteed dividend to increase the face of the policy. This dividend is available at the end of twenty years, when it may be either received by the insured in cash or used to increase the amount of paid-up insurance. At the request of the insured the dividends will be applied annually, beginning with the second year to purchase additional insurance. The policies provide for loan and extended values after two years and paid-up insurance after three years, and also carry the total disability feature which provides in the event of total and permanent disability for a paid-up policy equal to the face value of the contract, or payment of the face in ten equal annual instalments.

The company reports that July was the best month of the year for new business, and the new contract should easily make August still better.

—The Louisiana National Life has decided to pay $5 for medical examinations, instead of $3, the rate still in use by some of the companies.

—J. J. Bailes, formerly with the Michigan Mutual Life, has been appointed a special of the Germania Life, and will travel North Carolina and Tennessee, with headquarters at Raleigh.

—Edwin Chamberlain of San Antonio, Tex., proposes organizing a new life company, with a capital of $1,000,000, to take up the business of the companies which will withdraw from that State owing to the Robertson act.

—J. E. Huddlestone, State agent for the Home Life of New York at Nashville, Tenn., has tendered his resignation and awaits the appointment of his successor, when he will open a fire, accident and liability office.

—Carl W. Fort, inspector of agencies for the Metropolitan Life, has resigned that position. He will hereafter be connected with the State Mutual Life of Rome, Ga., at Atlanta, where he and his father, Chas. M. Fort, will operate under the combination of Fort & Son.

—The American National Life of Lynchburg, Va., has recently entered Texas. H. M. Minier and Ernest McKinnie, each of Waco, and recently with the Northwestern Mutual, have formed a partnership and will be managers for Central and Southern Texas for that company, with headquarters at Waco.

—The South Atlantic Life of Richmond has met with good success in its 1907 campaign for business throughout the South. The company has secured a valuable staff of field men, who will aid materially in producing results. It is especially proud of its fine lapse record, the average in the first six months being but 0.86 per cent of the mean amount in force.

—W. P. Burrell of Richmond, Va., chairman of the committee on economics of the Hampton Negro Conference, has been promoting an insurance round table and conference, which was conducted at Hampton last week by one of the actuaries of the New York Life. There were present at this conference about fifty colored men engaged in the insurance business in North Carolina and Virginia.

—The American National Life of Virginia has appointed C. W. Connery of Fort Worth, Tex., State manager, with offices in the Flat-iron building, in that city. Mr. Connery has, until recently, been connected with the Travelers Insurance Company in the capacity of associate manager of the State. Other recent appointments for this company are: Thomas Hester, Gaffney, S. C.; J. T. Yates, Lynchburg, Va.; J. T. Cralle, Norfolk, Va.

—The American Central Life may do business in the State of Texas for two years without complying with the provisions of the Robertson law. This company is chartered under a law of Indiana which compels it to deposit with the State Auditor securities equal to the entire legal reserve or net cash value of every outstanding policy, whether it be in Indiana or any other State. The Robertson bill exempts companies operating under such charters from its deposit provisions for two years. The company's report shows considerable loans to Texas policyholders, but it holds no investments in that State.

MISCELLANEOUS LIFE NEWS.

The Equitable's 1907 Tontine Dividends.

Some dissatisfaction having been expressed with the dividends paid on tontine policies of the Equitable Life of New York maturing in 1907, owing to a reduction of thirteen per cent as compared with last year, Insurance Commissioner Folk of Tennessee took up the matter with the society. After a personal visit to the office in New York and an investigation, Mr. Folk makes the following statement:

Some policyholders in this State have submitted to the Department the matter of settlements made with them by the Equitable Life, especially on twenty-year tontine policies maturing this year. Upon a comparison of the settlement of these policies with data in this office, I found that the dividend accumulations on policies maturing this year were considerably less than the dividends on the same class of policies maturing last year. I took the matter up with the society in person. The cause given by the society for this reduction was the depreciation in the surplus of the society by reason of there having been a revaluation of its real estate holdings, a reduction of something like $17,000,000 in the surplus of the company being made on account of this revaluation.

The society cheerfully and promptly complied with my request for information and exhibited to me the records, showing the accounting in bulk on all policies in the free tontine class. I found that the same settlements as to the Tennessee policyholders were made with all policyholders of the society of that class. So if there be any inequity, all are bearing it alike. I made particular inquiry from the time of issuance down to maturity, so that it might be ascertained whether the holders had received their equitable shares of the surplus.

The actuary of the society furnished me with a part of this accounting, giving the amount of the free tontine fund at the beginning of 1906, and the different items of accretions thereto and the different items charged against it, the net result being the total amount to the credit of this fund at the beginning of 1907, the time when the contracts maturing in 1907 would be entitled to have calculations made as to their shares. The figures for other years for the policies which I have under consideration will be forwarded to me later.

When all this data is received the Department and the policyholders will be able to arrive at more intelligent conclusions as to whether policyholders are receiving the equitable amounts due them.

The Commissioner was asked as to what he would do if he found in his opinion that Tennessee policyholders were not receiving the full amounts due them, and he replied:

When that conclusion is reached it will be time enough to determine what action should be taken. My functions as Insurance Commissioner will always be employed to secure justice to Tennessee policyholders. If the settlements proposed by the society are in accord with what they ought to receive, they will be satisfied.

"The Successful Agent."

A book which will be found useful and interesting by experienced agents and those who employ canvassers, by beginners in soliciting, and by laymen who want to know about the so-called mysteries of life insurance, is "The Successful Agent," by William Alexander, and recently published by The Spectator Company. Mr. Alexander has written out of his thirty years of experience and observations as secretary of the Equitable Life Assurance Society, and the attention he has given to the instruction of agents. The divisions of the work are:

I—The Trustworthiness of Life Insurance and the Scientific Principles Upon Which It Is Based; II—The Variety of Forms of Insurance; III—How the Agent Can Best Sell Insurance; and appendices which explain briefly and elementarily the scientific principles of life insurance. The characteristics of the work are conciseness, lucidity of statements and explanations, and a style which is fascinating. The closing sentence is applicable to one engaging in any business or enterprise, and illustrates the liveliness of the run of Mr. Alexander's writing: "When all is said and done, the best agent is the self-made man. You can gain from books much valuable information about swimming, but you will never become an expert swimmer until you get into the water." The indices are complete. The book contains 211 pages and, bound in cloth, costs $2, and in flexible leather, $2.50.—The American Underwriter.

Legislation.

In addition to the bills recently signed by the Governor of Wisconsin, the following measures have received his approval:

Amending the law relating to mutual insurance companies; amending the law relating to resident agents; providing a method whereby assessment life insurance companies may be reincorporated as legal reserve life insurance companies; repealing chapters relating to life insurance upon the stipulated premium plan; prohibiting misrepresentation by life insurance companies; requiring life insurance companies to furnish a copy of application; requiring life insurance companies to report to the Commissioner of Insurance moneys disbursed for legislative purposes; relating to licenses of life insurance companies; prohibiting the writing of participating and non-participating business by the same company;

relating to the discontinuance of business of life insurance companies; requiring life insurance companies to report to the Commissioner of Insurance all contributions made for political purposes; relating to proxies in domestic mutual life insurance companies; requiring foreign stock life insurance companies to determine and report the respective rights of policyholders and stockholders in unassigned surplus before being licensed to do business in the State.

—F. A. Williams, A. I. A., actuary of the London and Lancashire Life at the Montreal office, has resigned to become actuary of the Louisiana National Life Assurance Society of New Orleans.

—A charter has been obtained for the Prudential Life of Canada, which is being organized, with a capital stock of $1,000,000, by R. H. Matson, formerly managing director of the National Life of Canada. The Prudential's chief office will be located in Montreal.

—The meeting of the officers of the National Fraternal Congress and the Associated Fraternities of America, which was to have been held at Duluth, August 19-23, has been changed to Buffalo, with no change of date. The meeting was to be held for the purpose of considering an amalgamation of the two bodies, but the proposition has already been abandoned and an entirely new alignment of the fraternals will probably result.

—The midsummer holiday number of The Century contains, among many other articles of merit: "You Can't Tell," Rebecca Lane Hooper; "Magnolia Gardens: A Visit to Charleston's Fairyland," Frances Duncan; "Not by Bread Alone," James Terry White; "The Case of the Evanstons," David Gray; "The Waterways of America," Charles D. Stewart; "What Wouldst Thou More?" John Vance Cheney; "Heart's Desire," Annie E. P. Searing; "Salt Meadow Types," from paintings by Emil Hering; "The Willing Muse," Willa Sibert Cather; "Waddy's Auto Ride," Edwin L. Sabin; "The Non-Resistance of Amos," Reginald Wright Kauffman; "Come and Find Me," Elizabeth Robins; "Pallone, the National Game of Italy," Frank Jewett Mather, Jr.; "Lincoln's Forebodings of Defeat at the Polls," David Homer Bates; "The Shuttle," Frances Hodgson Burnett; "Stories of a Girl in Italy," Lisi Cipriani.

INDUSTRIAL INSURANCE

The Best List of Prospects.

The best list of prospects is a body of well satisfied policyholders.

The familiarity that breeds contempt is prevalent in every business. We are continually turning away from the old things in order to go prospecting among the new, leaving the old to take care of themselves and thereby missing many opportunities already in themselves half achieved.

The mining men have waked to the knowledge while working strenuously on a new output from the mine that the old refuse heaps now contain valuable ore. At the time these scrap heaps were made it did not pay to re-sort them, but new and cheaper processes of reduction have come in and it pays now.

What has this to do with life insurance? Just this. That a very large number of men with whom you have placed life insurance took all they could afford at the time you first interviewed them. These men have grown. Their needs have changed. Their means have developed. Certainly the events of the last few years have not weakened the confidence of these men in the company in which you placed them. If you don't solicit them for increased insurance other men will. Solicit them and you will find that there will be many among these men who can be easily written for new insurance. They know the company because they are already insured in it; they have suffered no disappointments in its contracts and heard no doubts raised as to its methods. It is human nature to seek the point of least resistance.

Canvass among new men diligently and faithfully, but don't pass by the old as if nothing remained, or you may lose many an opportunity ready to your hand.—Travelers Record.

The Selling Man.

The selling man must know how to meet men and mold them to his opinion. He must have confidence in himself. He must never feel embarrassed. In order to have this confidence he must know the merits of the article he is selling and that his proposition is just as he represents it. A man must believe in the thing he has to sell in order to impress upon others that it is a good thing. He cannot impart successfully a desire for the article when he does not believe himself that it is worth the price. A good selling man is the man of many resources. He is sensitive to impressions, quick to grasp a favorable moment and not afraid of anything which he knows is right. The occupation of a selling man is a healthy one. It gives him an opportunity to drink in the fresh air and sunshine, and the necessary activity of his profession keeps him in good condition physically and mentally. Above all, he is to a certain extent his own master, master of his own destiny, and he is learning and storing knowledge at all times. Where, young man, can greater opportunities be found than in the business of a life insurance salesman?—Pittsburg Life Pusher.

—C. C. Chezem is leading the assistants in the Terre Haute district of the Prudential.

—H. F. Towson is now superintendent of the Coatesville (Pa.) district of the Metropolitan. Mr. Towson comes from Lebanon, Pa., and the business of the Coatesville district is destined to increase materially under his energetic leadership.

—The Colonial Life has appointed the following assistants: Jacob Goldstein, Brooklyn; W. G. Smith, Philadelphia.

—The Wheeling staff of the Equitable Industrial Life was recently given a banquet by W. A. Bennet, general superintendent.

—During June of this year Assistant Louis Rothstein of the Fulton street district of the Metropolitan made an industrial increase of over $6.

—Assistant M. C. Torian, of the Life Insurance Company of Virginia at Greensboro, has been appointed assistant in the Kinston (N. C.) district, succeeding Z. E. Neal, resigned.

—The Colonial Life wrote as much business up to July 1 of this year as it did up to November 1 of 1906. July made the best record of any corresponding month in the history of the company.

—G. G. McHardy, of the New Orleans district of the Metropolitan, is making a fine record. He is No. 11 in ratio of increase to allotment, No. 9 in average weekly increase per agent, No. 4 in lapse savers, No. 2 in persistency of agency force and No. 1 in amount of increase.

—This year marks the tenth anniversary of the Colonial Life Insurance Company of Jersey City. Conditions at present indicate that this will be the company's banner year. A pledge is being sought from 100 of the company's field men to contribute $10,000 each of ordinary business before the end of the year.

—The districts of the Metropolitan Life in Western Pennsylvania, West Virginia and Ohio held their annual convention recently at Pittsburg. About 400 representatives were present, and the home office was represented by Vice-President Haley Fiske, Major Corwin, F. O. Ayres, Dr. Knight, Mr. Burbank and C. W. Dwyer, superintendent of agents.

—The following are the ten leading districts of the Metropolitan for the first six months of 1907 in amount of ordinary, intermediate and special class: Morrisania, N. Y., G A. Weigel; Knickerbocker, N. Y., L. S. Bruenn; Chicago-South, Ill., H. D. Wright; Brooklyn, N. Y., S. S. Voshell; San Francisco, Cal., A. O. Harwood; Chicago-North, Ill., P. J. Kraus; Buffalo, N. Y., Dr. G. S. Staniland; Clifton, Ohio, John Dolph; New Orleans, La., G. G. McHardy; Murray Hill, N. Y., D. G. C. Sinclair.

—When one task is finished, jump into another. Don't hesitate. Don't falter. Don't waver. Don't wait. Keep going! Doing something is always better than doing nothing. For activity breeds ambition, energy, progress, power. And inactivity breeds idleness, laziness, shiftlessness, sloth. Don't dawdle in the hope that inspiration will strike. Inspiration is more likely to strike a busy man than an idle one. Save the half hours that are wasted in waiting. That is the secret of system. Keep going!—System.

—So positive was a man named Miller that a dead body found beside the third rail of the Pennsylvania Railroad's shore trolley line at Woodbury, N. J., a couple of weeks ago was that of Frank Goldie, that the Prudential had made arrangements to pay over last week the $1000 insurance on his life. On July 24, however, Frank Goldie stepped into the Atlantic City office of the Prudential and said: "I see according to the papers that I have been dead and buried since last Friday, but I want to state that if that money is paid over you will have a live man to deal with."

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

Several salvage sales for account of the underwriters have been held at public auction this week, with satisfactory results. The first was on Tuesday, by the Underwriters Salvage Company; the second by order of the Gans Company, and another is advertised for to-day. The largest of these was an out-of-town stock for an up-State drygoods concern.

It turns out that there was a trifling amount of insurance on the hotel and cottages at Long Beach, which, of course, was total on the property burned. By some strange reasoning it was deemed worth while to insure the separate cottages and let the big hotel alone. The owners of this property have ambitious schemes on hand for a new fireproof hotel and the creation of a permanent settlement which will be (if it is ever built) an attractive place.

The usual August demand for storage risks is visible and companies are not averse to its acceptance. This constitutes about all the new

business in evidence. Some of the target risks in the drygoods district, which have been reduced by the owners as well as by companies in the total amount carried for more than a year, have picked up in values lately and appeared in the market for additional insurance. The department store demands on the surplus line companies have fallen off.

The suit against the Helvetia Swiss by a creditor of the Rhine and Moselle, on account of a San Francisco loss reinsured in the Swiss company, brings up some interesting questions relative to reinsurance contracts. The usual condition of reinsurance in this part of the world is that the liability of the reinsurance does not attach until the company reinsured has paid its loss. When the original company is compelled by law to pay, it may be said the liability was fairly attached. It is understood litigation is now pending in Germany to settle the liability under the earthquake exemption clause under the Rhine and Moselle contracts.

A foreign company, which insures automobiles against all risks including theft, had the privilege of paying for a theft loss to the tune of $3000 a fortnight ago, and ten days after recovered the property in a damaged condition in a garage in a neighboring city. The owner in the interim bought a new car.

Several New York offices have during the past week received the cards of an independent adjuster which bears these curious words: "It is a good plan to leave a few things unsaid and avoid explanations. Your friends don't require them, your enemies won't believe them." With all this mystery the adjuster is reported to be an expert.

The Exchange is now seeking to learn whether any policies have been issued within its jurisdiction on the property of the Shannon Copper Company in Arizona. We reiterate a former opinion, that these queries may refer to some brokerage operation through Chicago, or to surplus line policies outside of the Exchange.

After all, there was one respectable line of insurance involved in the Coney Island fire ten days ago, which covered a supposed fireproof risk. The insurance included a policy of $10,000 in the Home which bonded up a line of $75,000 in the British Lloyds. The loss on this risk is claimed to be much less than total.

The loss of the facilities offered by the Union of London was felt in several quarters where the Union policies were highly appreciated. A few years ago the Union lines were very liberal, approaching what used to be known as the Jumbo policies, but since the Baltimore fire the maximum lines of the company have been materially reduced.

A surplus line company, which writes $5000 lines in the congested drygoods district, announces in its printed statement that its entire commitments in any city will be limited to the amount of its capital, which is only $200,000. The company is aggressively seeking business in this city, and with $5000 policies its limit will be quickly filled.

Armour & Co.'s fertilizer plant in Jacksonville, Fla., burned on Sunday and adds another Armour loss to the previous experience of the companies. One of the surplus lines in this city held a policy on the risk, and says this will be the last acceptance; which would be quite interesting were it not for the fact that so many previous declarations immediately following a loss had convinced the brokers that the decision is likely to be quickly forgotten.

Sophus Dorrien, managing director of the Hamburg-Bremen, died recently. He was formerly United States manager of the company when it first opened its branch office in New York, with F. O. Affeld as assistant manager.

The provisional agreement for the amalgamation of the Phœnix of London and the Pelican and British Empire Life was unanimously confirmed at a recent meeting of the shareholders.

CHICAGO AND THE WEST.

Immediate action by the city council in regard to the installation of a high pressure water system in the down-town district of Chicago, at a cost of approximately $1,000,000, exclusive of the cost of pumping works, was recommended on Monday last by a sub-committee of the joint committee on high pressure water system. The latter committee consists of members of the Building Managers Association, the Chicago Board of Underwriters, the Chicago Association of Commerce, the Chicago Credit Men's Association, the Chicago Real Estate Board, the City Club of Chicago, and the Chicago Architects Business Association. All down-town propertyowners are in favor of the high pressure system, and are willing to pay for it by special assessment, and from now on they are determined to concentrate their efforts until they secure adequate protection from such a conflagration as the one that wiped out the business center of San Francisco. The report of the sub-committee states that property is imperiled and insurance rates are kept up by the failure to get the system in operation. Fire losses during last year alone in the down-town district greatly exceeded the entire cost of the system. The Mayor, who favors the installation of the system, is urged to secure immediate action. It is planned to place the pumping station in the basement of the new city hall. The estimated cost of the pumping plant is about $250,000.

BOSTON AND VICINITY.

The Boston Board of Fire Underwriters has voted to repeal the existing explosion clause, because it does not conform to the new law enacted by the recent legislature, which went into effect July 28. A new clause will be prepared.

The Boston agency of the Norwich Union has been transferred to the offices of Gilmour & Coolidge.

John J. Eynon succeeds Edward J. O'Neil as general adjuster with John C. Paige & Co. It is understood that this agency is to consolidate its inspection and adjustment departments, both of which will be under Mr. Eynon's supervision.

The Alliance Assurance Company of London, England, has withdrawn from Massachusetts, owing, it is said, to a ruling by the Massachusetts Insurance Department, which did not meet with the approval of the company.

The preliminaries of the organization of the Boston Suburban Board of Fire Underwriters are moving along satisfactorily, a sufficient number having endorsed the movement to insure early action and a permanent organization.

The Massachusetts Laboratories, it is stated, have made arrangements to start a factory inspection label service on unlined linen hose, which greatly interests New England insurance men, in a territory of many mills and manufactories.

NOTES FROM PHILADELPHIA.

The Girard Fire and Marine has been appointed general agent of the Sun of New Orleans, for the States of Pennsylvania, New Jersey and New York, except the New York city Metropolitan district.

On August 1, George Cuthbert Gillespie, a prominent broker, and Stevenson H. Walsh, an equally prominent adjuster, formed a partnership for the transacting of a general insurance brokerage business under the firm name of G. C. Gillespie & Co.

Creth & Sullivan have removed to the second floor of the Manhattan building, and the Reliance Insurance Company, in whose building they were formerly located, is making extensive alterations preparatory to occupying the whole first floor of its building.

The Philadelphia Fire Underwriters Association has ruled that the five per cent exemption clause in the operation of the reduced rate average clause cannot in future be permitted on policies insuring fireproof buildings or their contents.

The Philadelphia Suburban Underwriters Association last week promulgated a number of changes in its Pennsylvania "Hand Book." Sharon Hill has been added to the list of class "B" towns. Provision was also made for towns which are not altogether unprotected but whose protection does not amount to much, by placing them in a new class known as "C." For this class rates have been made slightly under the minimums for unprotected risks, such as dwellings, small stores and dwellings, etc. The towns of Aldan and Norwood have been transferred from class "B" to class "C," the town of Yeadon has been added and also those portions of the towns of Ashbourne, Chelten

Hills, Elkins, Elkins Park, Lamotte, Melrose, Melrose Park, Oak Lane, Oak Lane Terrace, Ogontz and Ogontz Park, which are not covered by the association's plan of protected location, giving them the advantage of class "B" rates.

The same association has also notified members and agents that on and after September 1, 1907, the managing committee will give approval and credit only for wire-glass metal frame windows and chemical extinguishers approved by the National Board of Fire Underwriters, with the metal label of the Underwriters Laboratories, Inc., attached.

The Hitchner Wall Paper Company has brought suit against the Pennsylvania Railroad Company in the United States Circuit Court for $100,000 damages, claiming that because the company did not employ proper mechanical safeguards or hire skillful engineers and firemen, sparks from one of its engines set fire to and destroyed the plaintiff's factory at Holmesburg, in May, 1906.

THE MIDDLE STATES.

—The California Fire has entered Pennsylvania, where it will be represented by Logue Brothers & Co. of Pittsburg.

—Daniel Prentice, general agent of the Pennsylvania Fire for the suburban field, including Northern New Jersey, has had the balance of New York State, outside of the metropolitan district, added to his field. This territory was formerly covered by the late Charles R. Knowles of Albany.

THE WEST.

—Allen M. Holliday, one of the best-known insurance men in St. Louis, died recently, fifty-five years old, from heart disease.

—C. G. Mecker has been elected president of the Fire Underwriters Association of the Northwest to succeed the late W. L. King.

—Charles Hall, for many years Wisconsin State agent of the New York Underwriters Agency, died recently at Milwaukee.

—The Queen City Fire has been admitted to Wisconsin. Frank E. Rugg of Chicago has been appointed special agent for the State.

—A recent investigation of the fire protection facilities of Grand Rapids, Mich., made by the National Board's fire protection engineers, disclosed fairly satisfactory conditions. The fire department is good and the water supply adequate, with slight conflagration hazard in the congested-value district.

—On the eve of his departure for his vacation, W. A. Blodgett, second assistant manager of the Western department of the Springfield Fire and Marine, was the recipient of a handsome gold watch and chain from the office and field force. The occasion signalized Mr. Blodgett's twenty-sixth anniversary with the company.

THE SOUTH.

—The Fidelity Fire of New York has entered Tennessee.

—S. M. Smith of Bluefield, W. Va., has been elected secretary of the German Union Fire of Baltimore.

—The Walla Walla Fire has entered Maryland. The business in that State will be supervised by Whilden & Hancock.

—C. B. Roulet has been named secretary of the Texas Fire Prevention Association to succeed John R. Minor, Jr., resigned.

—The Georgia Local Underwriters Association has filed a petition in the Superior Court of Bibb county for incorporation under that name.

—A bill has been filed in Chancery Court at Nashville, Tenn., by twenty-four companies, declaring the corporation tax law of that State unconstitutional.

—John A. Stevenson of Birmingham, Ala., goes to Charlotte, N. C., to take the position of manager of the South-Eastern Tariff Association's branch office at that point.

—The proposed license tax of $50 annually on insurance companies doing business in Huntington, W. Va., is causing no little trouble between insurance men and the city council. The matter is now in the hands of the council committee on laws and ordinances.

—An effort will be made at the next session of the Maryland Legislature to secure the passage of a bill lowering the fees which insurance companies at present pay before they can be admitted to do business in that State. Insurance Commissioner Crouse contemplates framing such a bill and working for its passage.

—At a mass meeting of citizens with insurance men, recently held at Wheeling, W. Va., Alfred Paull, in behalf of the local underwriters, delivered an ultimatum, which was to the effect that unless there was prompt improvement in the municipal water system the Dean schedule, which means an increase generally of 50 per cent, and in some cases 100 per cent, would be put in effect by all insurance companies doing business in that city. A committee composed of two bankers, two manufacturers, two wholesale dealers, two retailers and two members of the Ohio Valley Trades and Labor Assembly will meet the city council and insist that the necessary improvements be made.

—The Louisiana State Association of Local Fire Insurance Agents, at its recent annual meeting, adopted resolutions urging that the compensation of agents be based on a flat and contingent basis. Officers were elected as follows: J. W. Alexander, Alexandria, president; P. F. Pescud, New Orleans; J. L. Wasey, Lake Charles; H. Bodenheimer, Shreveport, vice-presidents; Sol Weil, Alexandria, secretary; J. S. Loeb, New Orleans, assistant secretary.

THE PACIFIC COAST.

—The entire $150,000 line upon the Perry fireproof apartments, Seattle, is said to have been written in one policy.

—The fire insurance premium receipts in San Francisco in the year ended June 30, 1907, were about $6,000,000, or over one-third as much as in New York city in 1906.

—Carstens & Earles, Inc., of Seattle, have been appointed general agents for the Pacific Coast for the Travelers Fire of Pine Bluff, Ark., and for the Pacific Northwest for the National Lumber of Buffalo.

—The success of one or two leading stock companies of Washington has occasioned a host of wildcats to take advantage of Washington's lax insurance laws and form "companies" of more or less (in most cases less) responsibility.

MISCELLANEOUS FIRE NEWS.

National Agents' Convention Programme Progressing.

Among the speakers who will be heard at the convention of the National Association of Local Fire Insurance Agents, which will be held at Richmond, Va., September 25, 26 and 27, will be Governor C. A. Swanson, of Virginia, on "The Public Attitude Toward Fire Insurance"; Frank Lock of New York, United States manager of the Atlas of London, on "The Relation of Companies to Agency Associations"; Carroll L. De Witt of Chicago, general agent of the Newark Fire, on "The Field Man and Agency Associations"; Hon. James V. Barry, Insurance Commissioner of Michigan, on "The Relation of the State to Fire Insurance"; Chas. B. Weil of Milwaukee, on various phases of the rating problem, and J. H. Southgate of Durham, N. C., on "Incorporated Agencies." Many live topics will be discussed.

Death of George D. Dornin.

George D. Dornin, Pacific Coast manager of the Springfield Fire and Marine, is dead. He was one of the most prominent managers on the coast and his death is a severe loss to fire underwriting. In 1871 he became general agent of the Firemans Fund at its head office and adjusted the Chicago conflagration losses of that company. He subsequently became secretary of the Firemans Fund, resigning that position in 1881 to accept the Pacific Coast management of the Lion Fire of London. His management of the Springfield dates from 1895.

—The Rhode Island Fire has entered Connecticut.

—The St. Paul Fire and Marine has decided to enter Canada for direct operations, and will begin business as soon as the necessary formalities can be complied with.

Casualty, Surety and Miscellaneous

Inspection of Liability Risks.

[To the Editor of The Spectator.]

Your issue of July 18 contains an article under the above caption signed by "Liability" that would be both interesting and instructive if true. The gentleman advances seven arguments why inspection of the ordinary liability risk has proved a failure, and I will consequently take them one by one and answer them from the standpoint of liability underwriting.

1. That the conditions are constantly changing, rendering the inspection of little use unless made constantly.

Answer.—If conditions are constantly changing, it is imperative that the company writing such risks should know of the changes and make the rates in accordance therewith from information furnished the company by its inspection department.

2. That the risks are so varied that competent inspectors would be too expensive to utilize in sufficient numbers.

Answer.—No expense is too great for the underwriter to know his risk, otherwise underwriting becomes a guess and not a science.

3. That the costs of inspections should be more than offset by the saving in accidents and payment of indemnity.

Answer.—They do, many times over.

4. That the companies ran a decided risk if accidents occurred as the result of adopting the recommendations of their inspectors.

Answer.—Competent inspectors do not make recommendations that will cause accidents.

5. That a review of a large number of accidents failed to reveal that any appreciable number could have been prevented by any system of inspection, however perfect.

Answer.—This statement is true, and always will be true, but does not cover the ground that a great many other accidents might have occurred which were prevented by the inspectiou.

6. That the assured desired protection for the risks as they existed in actual running order from day to day, and would never consent to make expensive alterations from which they derived no specific return.

Answer.—Ninety-five per cent of the assured are only too willing to make alterations, and the other five per cent that refuse, go to the companies who do not inspect, and they pay the bill.

7. That employers neglected to make improvements, even upon the request of the factory inspector, whose demands had the force of the law, and could not be expected to follow the suggestions of any company's inspectors.

Answer.—Argument No. 7 is answered by the answer to argument No. 6.

"Liability" would make haste to change his views regarding inspections were he aware of the fact that on two or three target risks the companies carrying same, owing to inspections and experience, raised the rates over 100 per cent and held the risks at advanced rates over competition from non-inspecting companies who quoted rates far below the rates at which the inspecting companies carried them before making the 100 per cent advance.

The greatest improvement made by liability insurance during its twenty-one years of existence has been the creation of thoroughly equipped inspection departments, and, while it is quite possible, as suggested in argument number 2, that the expense of a competent inspection force is too great for some of the companies engaged in writing liability insurance to stand, "Liability" may rest well assured that until all the companies writing liability business are thoroughly equipped with first-class inspection departments there will be the same diversity among underwriters as to value of risks that there is to-day, and that the companies without inspection departments will do the guessing instead of making their rates upon known conditions and facts, and will get the undesirable business in the market at low rates and find themselves eventually trying to crawl out of the small end of the financial horn and stand idly by while their business goes off the books to the properly equipped company at very much higher and entirely satisfactory rates.

I note that "Liability" refers to the average number of accidents as 29 per 1000, while the one company making inspections was 30. One of the results of inspection is to cause the policyholder to become thoroughly familiar with same and to report all accidents, no matter how trivial. In other words, the policyholder is taught that his interests and the iuterests of the company insuring him are one. During the past year more policies have been written at low rates, and then canceled as soon as the company writing them found out what the risk really was, than during any period I have ever known. In other cases of cancellation I know about there was no inspection prior to writing the risk, and after cancellation the risk has invariably gone to one of the companies that made careful and competent inspection before quoting rates. I could go on indefinitely with examples, but will spare you the infliction.

Inspection of risks has come to stay, and will prove the salvation of liability underwriting, and the sooner it is adopted by all the companies in this line of business the sooner will it be possible in a measure to have stability of rates and have many of the hazards now confronting the underwriter removed. PROGRESSIVE.

New York, August 1.

[TO THE EDITOR OF THE SPECTATOR.]

In your issue of July 18, "Liability" writes concerning the results obtained through inspection by a company referred to in such endearing terms as to indicate that it is an employer rather than a competitor.

We have always maintained that it requires something more than a manual of rates to successfully transact the business of liability insurance, and we should say further that it requires something more than a manual of rates and an inspector. The efforts of the company referred to may have been both "persistent and conscientious," but they may have been misdirected or misapplied. The report of the best inspector on earth is of no avail unless one knows what to do with it. Of course, a risk cannot be improved by inspection any more than a sick man could be cured by placing a bottle of medicine at the head of his bed. Many companies have had an experience much longer than five years with inspection and its results. One company at least has spent a very large amount of money and is still spending it, equipping an inspecting force which is competeut and effective, but the result of the inspector's work is not placed in the vault. It is used, and used so successfully that this particular company is enlarging rather than decreasing the service. The company referred to does not stop with inspection, but backs up that organization with another equally effective and capable of using the reported results in ways which have proven beneficial both to the policyholder and to the company. To stop with the report of the inspector and the filing of recommendations which may or may not be complied with is like trying to satisfy one's hunger by holding food in the mouth. All these affairs require the service of a digestive apparatus capable of assimilating and putting to the very best uses the information obtained. Whether or not it is more economical to take pot luck on risks can never be absolutely demonstrated because the results of the other course are largely negative, but if we should overlook the fact that thoughtful policyholders would not be satisfied—as they ought not to be—we should say that a liability insurance company having any regard for the future cannot for a moment forego the inspection service, and when any company concludes to do so the next rational step to take is to withdraw its soliciting force and reinsure its business.

Think for a moment what would become of any line of insurance business without inspection. Even life insurance companies inspect their risks. So do accident companies. What would fire and marine lines appear to be without inspection, and how would steam boiler, fly-wheel and other casualty lines appear with this service eliminated? We assume that many years ago when fire inspections were in their infancy many companies could be found which would express doubts as to the value of this service, but think for a moment to what proportions that service has grown and find, if you can, a single company now prepared to discourage it or recommend that it be withdrawn.

"Liability" is dealing with a subject which has attained the dignity of a scientific profession. He is dealing with it on the basis of five years' experience, which is scarcely enough to get out of the kindergarten, and if it may be considered as expressing the attitude of the company which he represents, we must accept it as further evidence in support of the oft-repeated assertion that there are a great many people trying to transact a liability business without an adequate conception of what they are doing. Yours truly, "NO LIABILITY."

New York, July 29.

Casualty Notes.

—The Massachusetts Bonding and Insurance Company has filed articles of incorporation with the Secretary of the Commonwealth. It will insure agaiust loss or damage by burglary, theft or housebreaking. The capital is $500,000, divided into 5000 shares of $100 each.

—A new casualty company with an authorized capital of $500,000 is being formed in Philadelphia to be known as the Union Accident and Casualty Company. James A. Flaherty is said to have been selected for the presidency and D. M. Keohane will be general agent.

—The Wisconsin State Bankers Association has decided to retain its insurance departmeut, which provides for insurance of all banks in the association against burglary and other losses, with one company. The company carrying this line has placed Wisconsin in class one, whereas it has been generally considered in class three.

—An association known as The Eastern Iowa Threshermans Association has been organized, with headquarters at Worthington. The association provides that each member or employee losing a limb or being otherwise seriously injured while at work, shall receive $5 from each member, but the total indemnity shall not exceed $2000.

—Ralph Marden has resigned as superintendent of ageucies of the Great Eastern Casualty, after a service with the company covering many years. He has been succeeded by C. Clark Howard, who has beeu with the Great Eastern for nine years. Previous to his last promotion Mr. Clark was cashier, and he enjoys the implicit confidence of the officers of the company.

—The Security Casualty Company of Indianapolis will begin operating the accident and health departments of the company on September 1. The board of directors has been elected as follows: Dr. Henry Jameson, Edwin P. Thayer, Henri T. Conde, Henry Coburn, Alvin T. Coate, Ralph B. Turner, Sterling R. Holt, Willard Harmon, Clarence E. Weir, W. Morton Herriott, John N. Patterson and William D. Long.

—Press notices and dispatches, as collated by the fidelity department of the Fidelity and Casualty Company of New York, indicate, for the month of June, 1907, the following defalcations: Banks and trust companies, $5929; beneficial associations, $3223; public service, $36,675; general business, $89,705; insurance companies, $22,000; court trusts, $20,608; transportation companies, $3808; miscellaneous, $22,468; total, $204,416.

—The Philadelphia Casualty Company reports a very satisfactory business for the first half of 1907, and recent developments point to a still

further extension of its interests. The contracts issued in the several lines it transacts are considered most liberal in their terms, and insurers are more than satisfied with the company's straightforward dealings. Recently the Philadelphia Casualty reinsured all its outstanding steam boiler risks with the Hartford Steam Boiler. It has also withdrawn from Massachusetts, in which State it wrote only credit insurance, but finding that line unprofitable there and not caring to open up any other line, it withdrew.

—Some recent large claims paid by the Fidelity and Casualty under its accident policies include $40,000 to the estate of Julius T. Rosenheimer, who was assassinated at Pelham, N. Y.; $15,000 to the estate of Katherine F. Matherson, whose husband was killed at a fire in his home, while she also died from injuries received. In this case the beneficiary clause and the double indemnity trebled a $5000 policy. Another case of death by fire caused the payment of $10,820 to the estate of Walter Schiffer, who lost his life while trying to save his two daughters, both of whom were also killed. That policy covered the insured, the beneficiary and the children of the insured. Ten death claims, amounting in all to $100,000, were paid within a brief period by this company.

Surety Notes.

—The American Surety Company furnishes the bond required by the newly elected mayor of San Francisco, which amounts to $25,000.

—The National Surety Company has appointed Russell A. Algire State agent for Kansas, with headquarters at Kansas City.

—The United Surety Company has opened departments for the transaction of personal accident and plate glass insurance, in charge of Alfred G. Ogle.

—A report has come from Washington that Federal officials are considering the advisability of compelling all surety companies authorized to write public contracts to file a sworn statement as to the amount of their outstanding obligations.

—The case of the bondsmen of W. R. Collender of Texas against the United States Fidelity and Guaranty Company has been finally settied, the plaintiffs having secured a mandate from Federal Judge Maxey compelling the company to put up the money for the judgment rendered, which was $16,000.

—It has been authoritatively stated that the American Pneumatic Service Company of Boston will not enter the surety reinsurance business. For some time it has been rumored that this company would enter the surety field as a reinsuring company, able to handle large lines. The matter has now been finally disposed of.

TOO LATE FOR CLASSIFICATION.

—Another new life insurance company is proposed for Cleveland, Ohio, under the name of the American Citizens Life. Capital, $100,000; surplus, $50,000.

—The prominent Philadelphia agency and brokerage firm of Henry W. Brown & Co., 435 Walnut street, Philadelphia, have been appointed general agents of the Norwich and London Accident for Middle and Eastern Pennsylvania and Middle and Southern New Jersey. They have appointed L. F. Tuells special agent for their field, and expect shortly to have agencies at all important points therein. They will not begin to issue liability policies before September 1 or thereabouts, but are prepared to write accident and disability policies already. The appointment is looked upon by the Street as a particularly good one.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, $7; book only, $5; monthly supplement only, $2 per annum.

American Druggists Fire Insurance Company, Cincinnati, O.

As of June 29, 1907, this company's statement, as verified by the Wisconsin Insurance Department, showed the following items: Assets, $107,477; paid-up capital, $100,000; net surplus, $1792. The assets are reported to be well invested in bonds paying a good rate of interest.

American Insurance Company, Newark, N. J.

At a recent meeting the stockholders of this company voted unanimously to increase the capital stock from $600,000 to $750,000. It is probable that all the new stock will be taken by the present stockholders, and will be issued at 300 per cent, thus adding $300,000 to the company's surplus.

Commercial National Fire Insurance Company, Denver, Col.

This company has reinsured its business in the Imperial Fire of Denver.

Firemans Fund Insurance Company, San Francisco, Cal.

A recent examination of the Firemans Fund, made by S. H. Wolfe for the California Department, resulted in a commendatory report dealing with the company's treatment of its claimants, agents and policyholders, following the conflagration at its home city. The statement as of June 30, 1907, shows: Assets, $5,345,574, and a net surplus of $578,913.

German of Freeport's Receiver Submits Royal's Offer to Creditors.

The following letter, under date of July 27, has been sent to creditors of the German of Freeport, with the approval of Oscar E. Heard, judge of the Circuit Court of Carroll county, Illinois, by the Chicago Title and Trust Company, receiver:

The Chicago Title and Trust Company, as receiver of the German Insurance Company of Freeport, presents the following schedule as the closest estimate it can make of a fair cash value of the assets of the German Insurance Company of Freeport, to wit:

Cash on hand and in banks	$990,484
Investments on hand	450,000
Bills receivable	20,000
Real estate	50,000
Agency balances	80,000
Reinsurance	85,000
Claims against German National Insurance Company	200,000
Claims against Royal Insurance Company	320,000
Total	$2,195,484

The Royal Insurance Company insists that three items, amounting to $148,000, in the above-mentioned claim against it are not valid claims, and it denies liability on them. If these amounts, or any part of them, are not recovered from the Royal, the assets will be proportionately reduced. The claims already allowed against the receivership amount to $3,500,000. There are pending against the estate claims amounting to $150,000, which are contested by the receiver and its attorneys, and it is, of course, impossible to predict whether any or all of them will be allowed by the court. From the assets now in its hands, the receiver will be able to pay a dividend of 30 per cent in September, and it can pay dividends from time to time hereafter as the assets are collected and as they are declared by the court. It is probable that from the proceeds of these assets the receiver may be able to pay dividends aggregating 55 per cent or so, depending, of course, on the settlement of controversies and the determination of the litigation.

The receiver, by order of the court, has sued the Royal Insurance Company of Liverpool to set aside an alleged contract of reinsurance entered into by the Royal and the German two or three days prior to the appointment of the receiver. If the receiver is successful in this suit, the Royal will be compelled to pay a very large amount of money to the receiver. On the other hand, if the receiver is defeated in this action, the expenses will be large.

The Royal has recently made a tentative offer of $1,850,000 in cash for the assets, and is to bear, in addition, all unpaid costs and expenses of administration, so that the entire amount of $1,850,000 will be available for immediate distribution among the creditors. The Royal will propose to buy for that sum of money all of the assets of the German of Freeport, including any right of action which it may have against the Royal Insurance Company on account of the reinsurance contract. It will be seen that in making this bid the Royal Insurance Company is not offering any more money than it is likely to collect from the assets. It is practically offering to pay at once to creditors about as much as they can get from the administration of the assets in a course of a year, or a year and a half, but it is very doubtful whether a larger bid can be obtained from the Royal Insurance Company. Negotiations have been in progress for months with a view to a settlement of this case, and everything has been done which can be done to get a fair and just settlement of matters in controversy for this estate. The bid is not a large one considering the value of the assets, and it does not cover any amount for the settlement of the suit against the Royal. The receiver is not willing to recommend that the bid be accepted, and it is not willing to assume the responsibility of recommending that it be rejected. The court and the receiver feel that it should be submitted to the creditors for an expression of their opinions. It may be that the creditors will desire to have the receivership wound up at an early date, and, in view of the heavy losses suffered through the great conflagration in San Francisco, an early settlement may be a controlling factor to the creditors. If the sale to the Royal is made, a dividend of 50 per cent in cash can be paid as soon as the transfer of the assets has been made. This dividend should be paid in September. If the contested claims against the estate are disallowed, an additional and final dividend of about 3 per cent will be paid to the creditors. The formal bid will probably be presented to the court on August 12 next, and the court desires to have at that time an expression of opinion with regard to the advisability of this sale from as many of the creditors as possible.

Please consult with your attorney or with other creditors about this matter. When you have made up your mind, please write us your opinion about the advisability of accepting or rejecting such a bid. We enclose a postal card on which you can write to us, or you can communicate with the receiver by letter. Mail your communication in time to get it to Chicago on August 10, if possible, but mail it as soon as you can. The court and the receiver desire to conduct the receivership, so far as possible, in harmony with the views of the creditors and their attorneys, and it is important that we should hear from as many of the creditors of the estate as possible.

WILL ASSIST FIELD MEN.

Spectator Company Issues New Book Giving Records on Deferred Dividends.

The Spectator Company has just issued a new book, pocket size, price $1.50, showing the annual and deferred dividends paid to policyholders by life insurance companies during a series of years, from 1876 to 1906, inclusive. In the case of the older companies the information runs back several years earlier, thus covering a period of more than thirty years. In addition, the new book includes a page for each company presenting the net cost of insurance for each year based on the dividends declared and paid in 1906.

An interesting feature is that dealing with the matters of dividend calculations. Companies file explanations showing the precise methods by which the dividends are declared, and these explanations are incorporated in the book. The book should prove valuable to field men.—New York Commercial.

THE SPECTATOR:

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VOL. LXXIX. *THURSDAY, AUG. 15, 1907.* No. 7.

RAILROAD companies seem likely to blaze the way for insurance companies in the matter of the validity of the laws which have been enacted in numerous States forbidding the companies to remove cases from the State to the Federal courts, under penalty of revocation of license. Many of the States have developed this jealousy of the prerogatives of their own courts; but they should bear in mind that the Constitution of the United States provides that the judicial power of the Federal Government shall extend to controversies between a State and citizens of another State, and between citizens of different States, and that Federal judges will not be apt to look favorably upon State laws which infringe upon their constitutional powers. It might be well for legislators to regard more closely that portion of the fourteenth amendment to the Constitution which reads as follows:

> No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty or property without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws.

The United States Supreme Court has held that a statute requiring an agreement against the removal of suits into the Federal courts is repugnant to the Constitution of the United States, and such an agreement would be void. It has also been held by the Circuit Court of Appeals that no stipulation or agreement founded on a State statute (forfeiture of license to do business in State upon removing cause to Federal court) or otherwise which the company may have entered into could prevent the removal of the case in the exercise of its constitutional right. It therefore behooves legislators to be careful as to the enactment of laws which attempt to limit rights guaranteed by the Constitution.

THE season for summer resort fires has opened prematurely. September is the customary time for the destruction by fire of summer hotels, cottages, etc., after the closing of their season, when they are deserted and unprofitable. If they are well insured, the payment by the insuring companies of a total loss is an easy way to make up for the lack of custom during the hot summer months, when disbursements exceeded income. But Coney Island set the example of having a big fire at a time when the patronage was the greatest and prosperity greeted with auspicious smiles the owners of the property. The destruction of the Long Beach hotel immediately followed under similar conditions. This hotel had been an elephant on the hands of its owners for a number of years, and everyone that attempted to run it lost money by it. But this year a new era dawned upon it, and by dint of extensive advertising and pushing, the hotel was well filled and reported to be making money, with a promise of a profitable season. Fortunately, the insurance companies were not heavy losers, as they have learned to fight shy of tinderbox summer resorts, and have made their rates so high that they are almost prohibitive, and there was but little insurance on the property destroyed. Most of the mountain and seaside resorts are reported as doing a fairly good business, and the season of burning will not be in full swing till about the first of next month, and then the destruction of those only that are insured may be looked for.

PROMOTERS of new fire insurance companies naturally point to the records made by successful companies in justification of their assertions that there is profit to be won from the conduct of the business. Perhaps it is just as natural that they should, with one accord, select for their purposes the companies having small capitals, but which, by reason of accumulations of assets and business covering long periods of years, have attained exceptionally strong positions in relation to their capital. One such illustration purports to set forth the salient features of several such companies, and shows annual profits for stockholders averaging nearly sixty per cent upon capital. It is noticeable, however, that the compiler was careful to select a period of ten years ending with 1904, thus avoiding the conflagration losses of 1906, which, for the companies whose records were used, exceeded the ten years' underwriting profits by about $1,000,000, and amounted to about four times the sum of the capital of those companies. Another promoter intimates that the average expense ratio of the various companies is some eight or nine per cent (of premiums) higher than it really is. Such representations are likely to react upon those making them, as it is hardly to be expected that a new company can produce the results achieved by old, conservative institutions after many years of careful and thrifty management. Dissatisfied stockholders will prove a thorn in the flesh to the unduly optimistic promoter and manager.

TORONTO, Ont., will be crowded next week with life insurance men from all parts of the North American continent, for, in addition to the annual convention of the National Association of Life Underwriters, there will also be held a two-days session of the Life Underwriters Association of Canada. For the first time in its history the National Association will meet outside the bounds of the United States, but the opinions of the delegates will not be expressed with any less freedom under the folds of the Union Jack than beneath the Stars and Stripes. There will be about the usual number of papers presented by representatives of the business and

outsiders, while the discussions are expected to be of equal interest with those of past years. Since the association met nearly a year ago, there have been many problems solved and some of the dark clouds have passed over, though there are still some agents who seem to feel that the whole business is going to the dogs. Optimism, however, is a characteristic of the National Association of Life Underwriters, and this annual meeting will unquestionably be productive of much good. From examination of the list of delegates, it appears that most of the old warhorses will be on hand, though a majority of the visitors will sadly miss the genial countenance of the late Philip H. Farley, the one ex-president of the association whose name was added to the death roll during the past year. We predict a successful meeting for the association and are confident of harmonious action on all questions that may arise.

FOR many years past The Spectator has advocated a combined classification of the fire risks written by the respective fire insurance companies, for the purpose of ascertaining exactly, or very closely, the cost of insuring each class of property, year by year, by the fire insurance companies as a whole. It has long been considered probable that if the companies did not inaugurate some such system of their own volition, it would be forced upon them by State legislation. Although a certain number of companies did arrange to have their experience in a few Western States combined, and this work was later undertaken by The Union in a restricted way, a State government—that of Minnesota—has now stepped in and will demand such data from all companies operating in that State. Perhaps in order to facilitate the work for such companies as have already been tabulating and reporting such data, the Insurance Commissioner has tentatively adopted the classification heretofore used by The Union companies; but a hearing will be granted upon this matter on August 27, when all interested may present their views, criticisms and suggestions. The classified amounts at risk, premiums received and losses incurred should, if intelligently combined, afford a very valuable guide in the construction of rates which will be just to all concerned.

AN excellent addition to the curriculum of the School of Commerce, Accounts and Finance of New York University will be inaugurated at the term beginning on the evening of September 26, in the form of a special one-year course in fire insurance. E. R. Hardy of the New York Fire Insurance Exchange, who will have charge of the course, will be assisted by experts in various lines of fire underwriting, who will lecture upon various phases of the business. This course will doubtless prove helpful not only to those who are contemplating engaging in the fire insurance business, but to those who are familiar with some branches of the business and wish to broaden their capabilities. That the course mentioned will be under the general supervision of an advisory committee consisting of C. F. Shallcross, manager of the Royal Insurance Company; E. H. A. Correa, vice-president of the Home Insurance Company; Cornelius DuBois, of Frank & DuBois; W. O. Robb, secretary of the committee on losses and adjustments, and H. E. Hess, manager of the New York Fire Insurance Exchange, is a sufficient guarantee that it will be of a practical nature and thoroughly adapted to the needs of the students.

THE recent examination of the Firemans Fund Insurance Company of San Francisco by S. H. Wolfe, at the instance of the Wisconsin Insurance Department, has served to add new lustre to the brilliance of the achievements of that company's officers during the past eighteen months. Mr. Wolfe truly says, in relation to the ordeal through which the company was called upon to pass:

It is difficult to imagine any institution being subjected to a more severe test than was the Firemans Fund Insurance Company. It has emerged from it with its reputation untarnished, and its excellent plant intact. The credit for this happy result belongs, in great part, to the loyalty of the officers and employees, and to the remarkable plan of rehabilitating an institution which had practically been wiped out of existence by an unusual catastrophe; but in the final summing up due credit must be given to the loyalty of the claimants in San Francisco, who united with the officers in an endeavor to prevent the extinction of a company which had enjoyed so many years of honorable dealing with its policyholders.

The preservation of the plant and good will of the Firemans Fund, and the restoration of the company to a sound financial footing after its vast losses in the conflagration, were events without precedent in fire insurance history, and reflect unbounded credit upon all who were concerned therein.

THE wonderful progress of American industries is well illustrated by the tabulation prepared by the Bureau of Statistics of the Department of Commerce and Labor, showing the exports of domestic manufactures by decennial periods. They have been as follows, for the years ending June 30: 1857, $41,088,938; 1867, $58,570,090; 1877, $144,186,602; 1887, $149,150,329; 1897, $311,243,365; 1907, $740,314,557. In the latest fiscal year they were nearly two and one-half times as much as they were ten years earlier. The total exports from the United States in the year ending June 30, 1907, were $1,854,553,956, compared with $1,032,007,603 a decade before. Assuming that the exports of manufactures in some degree are indicative of the progress of general commerce throughout the country, and comparing the fire insurance premiums of the years 1896 and 1906 with the total exports of the corresponding fiscal years, it is found that the ratio of premiums to exports was sixteen per cent in 1906, and 15.4 per cent in 1896. The natural inference is that the growth of the fire insurance business corresponds, approximately, to the yearly increase in insurable values.

THERE has been some discussion of late as to the profitableness of insuring church property. One large company, it is stated, has lost money on this class of business through a series of years, but others have had a favorable experience with the class mentioned. The chief dangers are lightning in the summer and the overheating of furnaces and pipes in the winter, combined with the usual absence of the man in charge of the heating during the greater portion of the time. The overheating hazard applies more particularly to older structures than to those of modern construction. It seems to be the consensus of opinion, however, that church underwriting in the aggregate yields a reasonable profit.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

Joseph Barrett, superintendent in this city of the Southern department of the New York Underwriters Agency, celebrated the twenty-fifth anniversary of his connection with that institution this week. Mr. Barrett entered the office of the New York Underwriters Agency in 1882 as clerk, and steadily advanced to his present important position. As an evidence of their friendship and regard the Southern field men of the New York Underwriters Agency presented Mr. Barrett with a handsome gold watch, suitably inscribed, in commemoration of the event.

The branch office question seems to interest the brokers more than the companies. They are firmly convinced these offices are the source of trouble in rebates. The matter of an examination of the branches is up to the executive committee of the Exchange, and it is understood there is a difference of opinion relative to the best method of ascertaining the exact facts of the situation. Some of the committee are inclined toward an investigation of the relation of the companies to the branches, and believe that, if it is learned whether the companies permit their agents to indulge in any brokerage business, a road is open to a conclusion. The brokers insist that the branch office managers secure schedules and seek inside information for brokers' benefit and coddle the brokers to please their companies. In this charge the companies themselves do not escape criticism for their favoritism shown to brokers in dealing with the Exchange.

The automobile forms used by fire offices are now subjected to some modifications on account of the ruling of the Insurance Department, that only liability or casualty companies can insure against collision, either received or caused. The liability companies are not hankering for the collision risk, although two of them are accepting it, but even these companies are divided in their favor of collision caused to others or sustained by the assured. The marine companies, which have heretofore monopolized three-fourths of the running risks of insured automobiles, but have been shy of the collision clause, are now in a position where they must meet the competition of the casualty companies or lose their advantages. Two of them have their head offices in Jersey City, and claim that they can write collision policies without hindrance from New York, although not allowed to do so through a New York office. One of these companies advertises in Chicago that it is prepared to write automobile policies "against loss by collision done or sustained," which looks as if the Department ruling would have no effect outside of the State.

An adjuster informs us that the competition for handling salvage in this city is very much reduced since the Underwriters Salvage Company has concluded to meet the cash offers for damaged stocks, heretofore offered by the Gans Company exclusively, by producing cash purchasers. The effect is to give the adjusters a choice whether they will have the goods sold for whom it may concern, or accept cash offers or a guarantee of net proceeds. Doubtless this arrangement will materially reduce the friction between the friends of both salvage concerns and secure peace and harmony where wrath might otherwise prevail.

For hot weather exercise the president of a city company says attendance upon committee meetings between 1 and 3 P. M. beats Coney Island swimming baths. Last week, on what was regarded as the hottest day of the month, this president attended two committees of underwriters and two directors meetings in which he was interested, nor is he one of the perspiration-proof kind either.

We understand there is a marked falling off in the returns of surplus premiums for taxation, although the companies and agents engaged in that business have both increased within the year. We infer, from the explanation of one of the brokers who represents surplus line companies, that the city business has suffered while the offers from out-of-town have increased. In Chicago about every elevator and cold storage warehouse is now an affidavit risk, and all find their way to the New York market.

The general comment among the fire offices upon the report to the American Bar Association, recommending Federal supervision, is that the worthy legal lights better convince the United States Congress of the constitutionality of such supervision before preaching sermons to the State officials. The judiciary committees of the Senate and House of Representatives have decided unanimously against it, and the officers of the fire insurance companies have no thought of butting their heads against a wall to combat Congress or to waste their time in the hot season debating academic questions.

The attorney of a prominent company says that the rule of law that a reinsurance is not liable until the reinsured company has admitted liability, and then only to the amount actually paid by the reinsured, does not apply to an insolvent company. The question has attracted considerable attention in the reinsurances involved in the San Francisco fire.

The number of affidavit risks which comes from Coney Island just now is one of the signs of the times. Yet the water and fire department facilities of that section are immensely better now than ever.

BOSTON AND VICINITY.

The Boston city engineer has submitted a proposition to the municipal authorities for increased fire protection for Boston. It is proposed that the mains in certain business sections be increased, that the salt-water pipe system be extended. The total cost of the improvements suggested is placed at from $250,000 to $300,000.

Howard C. Buck goes from the home office of the Phœnix of Hartford to become New England special agent of the Norwich Union.

CHICAGO AND THE WEST.

The installation of a high-pressure water system in the down-town district of Chicago will be considered by the local board of improvements and the local committee on transportation at early meetings. This has just been announced by the officials of both committees, and the chance of the project being carried through is excellent. "We all realize that the question has to be disposed of and that sentiment among propertyowners is for a high-pressure system as soon as possible," said Chairman Milton J. Foreman of the committee on transportation. "It must be considered in connection with the sewer and the traction questions, however, as the streets will have to be torn up at the same time for all." The committee on high pressure insists that it is imperative that the high-pressure system be installed without delay, owing to the fact that a conflagration under present conditions might sweep through the down-town district at any time.

Lebo, Anderson & Young are in charge of a central department for the Inland Fire of Spokane, Wash., recently organized with $200,000 capital and $50,000 surplus. They will manage the company for the Western Union territory and will make application for admission to the various States immediately. Anderson & Young will have the local agency of the company, which is already doing business in its home State and in Idaho, and will write a general business in this field.

THE WEST.

Ohio Jottings.

[From Our Own Correspondent.]

The parole of Homer Morrison, the notorious leader of the firebug gang in Williams county, has been revoked by the board of managers of the penitentiary and he will be taken back to prison, after spending the summer at his home.

At the annual meeting of the Ohio Association of Fire Insurance Agents at Columbus, action was taken that will result in a change of base for the membership. Heretofore agents from any part of the State might become members of the State organization, but under the new arrangement they will come in through affiliation with local organizations and these organizations will be represented in the State meeting by delegates.

This change was made in the hope of securing more and better local organizations, that the business throughout the State may be gotten into better shape. Once the strongest organization in the country, the Ohio association was shorn of its power and much of its importance when the stamping secretary system was abolished, owing to the suits brought by one or two prosecuting attorneys. While no endeavor will probably

be made at this time to re-establish that system, it is the desire of the State organization to get into a position where some good can be accomplished through the adoption of policies that will put the business upon a plane where it cannot be assailed.

The officers chosen are as follows: President, Frank E. Lauterbach, Columbus; vice-president, J. S. Elliott, Springfield; secretary and treasurer, Miss Lulu M. Foster.

Complaints of rate cutting have been made in some of the larger cities of late, especially in Cleveland and Cincinnati. Of course, this condition is not serious in either place, but when agents frequently find business that has been written at a cut figure, it is an indication of what may come later on if continued.

Considerable complaint has been made of late regarding some of the smaller and newer companies that have entered Ohio. It seems, from what can be learned, that they are not averse to paying handsome commissions if they are assured that they will get a nice share of the business in the agencies they enter. And some of them are not at all particular as to the rates they secure, if it becomes necessary to shade them in order to take the risk from the books of some other company. The older companies do not believe the companies that do this are transacting business on a safe basis. Aside from losing business to them in an unprofessional way, they do not want to see any more failures at present. While the failure of a small company might not cut any figure in the business world, it causes speculation as to the stability of all companies, and the failure of several would be still worse. There is little doubt but that this condition needs serious attention on the part of the managers, who may be able to exert a beneficial influence.

The Dispatch Printing Company has brought suit against a number of companies to recover on its recent loss by fire, when the Dispatch building, at the corner of High and Gay streets, in Columbus, was burned. Twenty-two companies are involved. The companies could not agree with the owners and an endeavor was made to settle by arbitration. A man was selected by each side, but they have never been able to agree on a third man. O. M. C.

Cleveland, August 12.

Ohio Field Notes.

[From Our Own Correspondent.]

A. G. Sanderson, for several years in the Ohio field for the Ætna, and recently advanced to a general agency at the home office of the Continental, has been spending a few weeks among the Ohio agents of the Continental and the Fidelity.

The losses by one of the most peculiar fires ever reported to fire insurance companies have been settled recently at Warren, Ohio. The Peerless Electric Company has a sprinkled plant at that place. Transformers are made in the basement of the building, and one of the processes in connection with the proper insulation of them is to place them in a hermetically sealed iron cylinder, where an insulating substance called electrolac is forced into parts of the instrument by means of compressed air. It seems that the electrolac is thinned by benzine and that, during the insulating process a short time ago a gasket on the iron cylinder was blown out and gaseous vapors which escaped followed the ceiling of the basement until they reached an electric motor which was in operation. The sparks at the commutator of this motor evidently set fire to the benzine vapor and produced a heavy blue flame which moved slowly along the ceiling and opening sprinkler heads as it reached them, opening about thirty in all and causing some little water damage to the contents of the basement. The flame then reached the elevator shaft and ascended to the next floor. The workmen on this floor first heard what they afterwards described as a very slight explosion, but which was found to have been sufficient to blow out a small section of the end building wall, although some light packing cases which were standing against the wall were left undisturbed. The adjusters were in something of a quandary at first as to whether the companies were liable for the building loss. A close inspection of the premises showed that the only traces of a fire were a very slight blackening of the guides in the elevator shaft and the opening of the sprinkler heads in the basement. On account of the fact, however, that the aggregate loss was not large and also because the case was such a peculiar and close one, the loss was finally adjusted and paid just as if no unusual features had been present.

Fire losses in Ohio have been very light during the last two months and, incidentally, most of the field men are taking their vacation during the lull. If the same good luck continues to the end of the year, the companies may get off with even better than the thirty-eight per cent ratio which they had in 1906. Practically the only losses coming in lately have been those caused by some severe electrical and wind storms.

The number of sprinklered risks throughout the State continues to increase, Cleveland adding a large number to the growing list. The George Worthington Company of that city, operating a very large hardware store, which has been a choice line for the agents for many years, has just completed a standard equipment, and the reduction in rate from 1.55 to 30 cents has compelled the agents to pay back about all the money they collected during the last year. Christopher.

Columbus, August 10.

—The Rochester German has entered South Dakota.

—The Illinois Bankers Fire is making application for admission to Missouri.

—A. E. Perry, an examiner in the Denver department of the Commercial Union, has been appointed special agent for North Dakota, with headquarters at Grand Forks.

—H. B. Matt, a local agent at Lancaster, Ohio, has been appointed special agent of the American Central, Mercantile Fire and Marine and Sun of New Orleans, in Ohio and West Virginia.

THE SOUTH.

—West Virginia has been added to the territory controlled by Whilden & Hancock for the Walla Walla Fire.

—J. Frank Flowers has connected himself with the Scottish Fire of Fayetteville, N. C., succeeding Special Agent John W. Clarke.

—The Tennessee Inspection Bureau will probably extend its field of operations in the near future to cover Memphis, Chattanooga and Knoxville.

—Insurance Commissioner Button of Virginia calls attention to the necessity for amendment of the present corporation laws of the State in the advance sheets of his first annual report.

—The retaliatory law of North Carolina has recently gone into effect against insurance companies of Georgia and Virginia which operate in North Carolina. The law requires them to make deposits equal to those exacted of North Carolina companies entering those States.

MISCELLANEOUS FIRE NEWS.

Fire Insurance Affairs In Great Britain.

[From Our Own Correspondent.]

It is not often that an illustration of a sixteen-story building finds its way into British newspapers, and as regards the insurance press such an illustration is quite an event. It is, therefore, not surprising that an excellent reproduction of the new office building in New York of the Royal Insurance Company, which appeared in The Post Magazine on the 1st ultimo, should have attracted a good deal of attention. Striking as is the picture in itself, the fact that buildings of this class are quite unknown on this side has enhanced the interest attaching to it.

Slowly the San Francisco disaster and conflagration is ceasing to be a topic of current interest in insurance circles, and is taking its place as a landmark in insurance history, and its immediate effect upon British insurance business is now capable of being closely estimated. In the course of a recent excellent article entitled "Fire Insurance in 1906," The Policyholder remarks that the effect of the conflagration upon the financial position of British companies has not been so serious as was at first anticipated and that, taken as a whole, the offices have come through the ordeal triumphantly. It then gives some interesting figures showing that the trading loss for the year was £6,410,791, and that the sums paid out in respect of San Francisco amount to £10,651,185. So that "while there has been an extraordinary demand upon current revenue to the extent of nearly eleven millions sterling, the deficit only amounts to a little more than half that sum."

The tendency for our largest companies to cover all branches of insurance has previously been commented on. Both the Alliance and the Commercial Union transact business in fire, life, accident and marine departments. The London and Lancashire Fire has evidently no intention of being left behind. This important company, to which I referred last month in connection with its acquisition of the Law Accident Insurance Society, has now resolved upon entering the marine insurance field and, with this end in view, has entered into a provisional agreement for acquiring the business of the Standard Marine Insurance Company of Liverpool. The Standard Marine is a successful company which was established in 1871. It has a net premium income exceeding £100,000 per annum, a paid up capital of £100,000, and reserve funds of upwards of £175,000.

A short time ago I briefly sketched the unique history of the Essex and Suffolk Equitable Fire Office. In order to conserve and accommodate its connections, this company has just promoted a sister office for the conduct of accident and workmen's compensation business. The registered capital of the new company is £250,000 in £1 shares, and this has been largely over-subscribed, which is, indeed, no more than was to be ex-

pected, as the directorate and management of the two offices are to be the same. Needless to say the operations of the new company will be conducted upon "non-tariff" lines. E. A. T.

London, Eng., August 5.

Fire Insurance Law Chart.

The 1907 edition of the "Fire Insurance Law Chart" has been issued, revised in accordance with the enactments of the forty or more State and Territorial legislatures which have been in session during the current year. This chart is a most useful publication for fire underwriters, condensing, as it does, a vast amount of information into a relatively small space, and presenting it in an understandable and readily accessible form. Among the subjects concerning which facts are given for each State and Territory are: Standard Policy Law; Valued Policy Law; Resident Agents' Law; Anti-Coinsurance Law; Anti-Compact Law; Laws Prohibiting Reinsurance in Unauthorized Companies; Annual Statement Required (final date); Tax Statement Required (final date); Date of Expiration of Local Agents' Licenses; Fees, etc., for Issuing Local Agents' Licenses; Charges for Filing Annual Statement; Taxes Payable by Company. The first six topics are covered by a simple "yes" (in red) or "no" (in black), and variations are explained by foot notes. Requirements as to deposits, home office statements, etc., are also given. The "Fire Insurance Law Chart" is printed on bond paper, metal tipped at top and bottom, and provided with a hanger, so that it may be readily suspended against a wall or partition. Price, $1 per copy, postpaid. Address The Spectator Company, 135 William street, New York.

—The Firemens of Newark is entering Utah.

—E. P. Fleming, special agent of the Seattle Fire and Marine, has resigned.

—H. W. Satin, of the Pacific Coast department of the Atlas, has been appointed special agent for California and Nevada.

—The Seaboard Fire and Marine of Galveston has entered Washington through the general agency of F. A. Chapins of San Francisco.

—Idaho, Utah and Montana have been added to the territory under the management of General Agent H. L. A. Bates of the Shawnee Fire.

—The Pennsylvania Insurance Department has issued excess brokers' licenses to Frederick D. Jones, McCall & Co. and Platt, Yungman & Co., Philadelphia, and B. D. Cole, Pittsburg.

—According to the report of a prominent special agent who recently made an investigation into the fire protection of Seattle, Wash., conditions at that point are dangerous, the city being in grave danger of a serious conflagration.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

The election for directors in the Home Life will be held March 4, 1908. There will be five vacancies in the board. Under the amended insurance law the directors of the company have filed with the Insurance Department the nominations of the following five persons: Henry E. Pierrepont, Francis L. Hine, Thomas T. Barr, E. W. Gladwin, John E. Borne, as candidates, accompanied by their written acceptances. By law these nominations are designated as the administration ticket.

The Newark office of the Equitable Life reported new business for July thirty per cent ahead of the corresponding month of last year, while the aggregate business for the year was forty-two per cent ahead of a similar period in 1906. Agency Supervisor R. M. Beckley hopes for a still larger production during August.

E. E. Clapp & Co. are making good use of facsimiles of four drafts paid through their agency in June for death claims amounting in all to $70,820. During June this agency paid to the Fidelity and Casualty Company premiums amounting to $148,000, being a gain of $20,000 over the corresponding month of last year.

St. George Kempson, editor and publisher of The New York Insurance Journal, died on Monday, the 12th inst., at St. Vincent's Hospital, New York, following an operation for appendicitis. He was born at Fort Erie, Can., April 23, 1858, and his connection with insurance journalism has extended over a period of more than twenty years, commencing with The Insurance Times in 1886, while since 1893 he has controlled The New York Insurance Journal. His interest in other publications was also extensive. The many good qualities he possessed will long be remembered and many friends will sorely miss him.

BOSTON AND VICINITY.

Governor Guild has sent to the Executive Council the following nominations for commissioners to investigate and report, relative to the adoption of a system of old-age insurance and pensions, according to the act passed by the last legislature: Edward S. Bradford, Springfield, chairman; Arthur M. Huddell, Chelsea; Mrs. M. R. Rodder, Brookline; James W. Prendergast, Boston; James P. Buckley, M. D., Marlboro. The Mr. Bradford of this committee was formerly State treasurer. Mr. Huddel, who represents employees on the commission, is president of the Central Labor Union. Mrs. Rodder is prominent in the Women's Educational and Industrial Union, and was on the committee which considered the question of old-age insurance and pensions for the union last winter. Mr. Prendergast represents the employers of labor, and is a director of the Boston Elevated Railroad Company. Dr. Buckley is the city physician of Marlboro.

Superintendent of Agencies Lyford, of the Massachusetts Mutual Accident Association, has just returned from an extended trip through Pennsylvania in the interests of his company.

Samuel Davis, the well-known special agent of the Phœnix Life of Hartford, has been admitted to the bar, and in addition to being a successful writer of life insurance he is now a Boston lawyer. His many friends congratulate him, for they know that he will be as great a credit to the legal profession as he always has been to life insurance.

The special recess committee of the legislature will not hold another session until some time in September.

The Massachusetts "Blue Book" for 1907, giving all the laws enacted by the last legislature, has made its appearance from the office of the State printer.

THE MIDDLE STATES.

—The Great Western Life of Kansas City has complied with the laws of Maryland, and appointed H. Malcomb agent.

—David A. Pierson has been appointed manager of the Manhattan Life for Michigan, with headquarters in Detroit.

—W. D. Kerlin has been appointed superintendent of agencies of the Reliable Life Insurance Company. He was formerly Indiana manager of the Fidelity Mutual.

—It is learned that the new life insurance company being organized by New York State Senator Wemple will be called the Government Life Insurance Company, with capital of $500,000. The charter is now being examined by the Attorney-General of the State. Senator Wemple will volunteer no information in regard to the new company.

—By outliving the suicide clause in each of his policies, the death of George W. Delamater, president of the Pennsylvania Steel Tie Company of Pittsburg, who committed suicide on August 7, will compel the insurance companies to pay $95,000 of insurance. His last act was to determine whether his act of self-destruction would invalidate his policies, and, being satisfied, placed them where they could easily be found, and blew out his brains. Mr. Delamater at one time led the agents in the United States as an individual insurance producer.

—The organization of the Scranton Mutual Life Insurance Company of Scranton, Pa., was completed on Aug. 2. It will be operated on mutual lines for one year, and will then be converted into a stock company. The following officers have been elected: J. S. McAnulty, president; W. E. A. Wheeler, first vice-president and director of agencies; Rufus J. Foster, second vice-president; Madison F. Larkin, treasurer; John R. Williams, secretary; Chas. E. Boothby, actuary; Dr. A. J. Connell, medical director; Dr. J. C. Price and A. J. Wilson, assistant medical directors; Hon. Fred. W. Fleitz, counsel.

THE NEW ENGLAND FIELD.

—President Joseph A. De Boer, of the National Life of Vermont, under date of July 17, issued an exhaustive and interesting letter to policyholders, detailing the company's views on the present condition and future prospect of life insurance. Special reference is made to the numerous new laws that have been enacted.

—The General Agency Association of the State Mutual Life of Massachusetts will hold its annual meeting on August 20-21, at the King Edward Hotel, Toronto, immediately preceding the annual convention of the National Association of

Life Underwriters. Burton C. Wright, the company's superintendent of agencies, will be in charge of the meeting.

—The recent session of the Connecticut General Assembly was marked by the enactment of a large volume of insurance legislation. Among the measures enacted were: The incorporation of the Lawyers Title Insurance Company of Hartford, with capital of $100,000; the authorizing of the Travelers Insurance Company to increase its capitalization from $1,000,000 to $10,000,000; the Travelers Indemnity was empowered to insure against injury, disablement, death or accident; the Ætna Liability was given a franchise to insure against damage caused by automobile collisions; the name of the Mutual Plate Glass and Safe Company of Connecticut was changed to the Mutual Plate Glass Insurance Company of Connecticut.

THE WEST.

Ohio Jottings.

[From Our Own Correspondent.]

Cleveland is to have another life insurance company within the next six months. It will have a capital stock of $100,000 to begin with, and a surplus of half that amount, the stock to be sold at 150. The newcomer will be known as the American Citizens Life Insurance Company and the organization movement is under the management of H. P. Angel, who took a prominent part—in fact originated the movement to organize the Ohio State Life of Columbus, which has just closed its first successful year. The new company will issue all the regular forms of insurance and will operate on the old line plan.

Anna M. Hough, widow of Dr. Oliver C. Hough, who was executed for the murder of his father, mother and brother some time ago, has brought suit against the Union Central Life to recover on a policy of $3000, which the husband held in her favor. She claims that one premium was paid after the man was convicted and sentenced, and for that reason the company should pay her the amount of the policy. President Jesse Clark of the Union Central says that if payment is refused it will be because of adherence to what is thought to be a correct principle and not because the company would be better off by that much. He said, however, that the case had not come to him officially yet.

Cleveland life agents say they have done a fair amount of business the first seven months of the year. In fact, they have probably equaled the business of last year, with all the drawbacks of low commissions and a reduced number of agents. Those agents who have given exclusive attention to the business show good reports, but those who have taken on other lines of insurance or made life insurance a side line have not done much. Most of the managers and general agents will be satisfied if they come out even with last year.

The Ohio State Life of Columbus ended its first year's business on July 27, with just a little less than $1,000,000 business on the books. This is considered a good record for a small company, especially when it is stated that the business cost much less than the usual commission. The company starts its second year with much to encourage the officials.

Cleveland, August 10. O. M. C.

Bankers Reserve Life Company.

The semi-annual statement of the Bankers Reserve Life Company of Omaha, Neb., fittingly marks the close of ten years of successful business operations. As usual, President B. H. Robison has laid before the policyholders of the company a detailed statement of its transactions with an explanation of everything pertaining to its management and progress. An independent valuation of all the securities owned by the company has been made, and the Auditor of Public Accounts of Nebraska has also examined the company and certified to the correctness of its semi-annual statement. Continued growth is shown in income, assets, surplus, new business and insurance in force, and the company is rapidly approaching the millionaire class in assets and income. The statement shows that the securities owned are of the highest class, and as the policy contracts are of the most liberal order it is evident that the interests of the policyholders are thoroughly safeguarded.

—S. D. Jones, formerly with the Mutual Life at Baltimore, has been appointed general agent at St. Louis for the Connecticut Mutual, succeeding F. W. Taylor.

—Chas. W. Gamwell, assistant actuary of the Berkshire Life, is to take a similar position with the Pacific Mutual of Los Angeles, and will assume his new position October 1.

—The American Central Life of Indiana has applied for licenses in California and Washington. John T. Boone, Sr., has been appointed manager of the Pacific Coast department, with headquarters at Los Angeles.

—The Indianapolis Life reports gratifying results for the first half of 1907, the volume of new business being double that for the corresponding period of 1906, while the premiums were three times as great. The company had but one death loss for $1000.

—The Travelers Insurance Company has appointed Homer R. Mitchell superintendent of agencies in Missouri, exclusive of St. Louis and Kansas City. He was formerly branch manager for the company at Dallas.

—The competition between the Knights of the Maccabees of the World and the Modern Maccabees, both of Michigan, will be eliminated if a possible amalgamation or working agreement can be effected by the rival organizations.

—E. E. Johnson, cashier of the Equitable Life of New York at Kansas City, has been appointed general agent of the company at Des Moines, Ia., the territory being the largest in the State. The position of general agent at Des Moines has been vacant since the departure of Elmer Dwiggins.

—The Great Western Life Insurance Company of Kansas City, Mo., reports that in the first 103 days of its career it wrote new business amounting to $5,325,000, of which $2,014,000 was written in July, with premiums of $74,169. At that rate, the first complete year will see $15,000,000 of new business.

—Having made a careful examination of the Ohio State Life of Columbus, Ohio, Auditor of State Billheimer has issued a license for the company to do business in Indiana. As the company is to reinsure the business of the Jefferson Life of Indianapolis, the approval of Auditor of State Billheimer was necessary, and his report shows the company to be in a very satisfactory condition.

—John Ferguson, Chicago manager of the Prudential, has severed connection with that company to organize a savings bank life insurance company after the Massachusetts idea. The company will co-operate with banks, but will have no stock or advisory board features. Associated with Mr. Ferguson will be Milton Denny, former agency inspector of the Equitable, and Paul Kersch, district manager of the Mutual Life at St. Paul. The company's home office will be located at Rock Island.

—President P. M. Starnes, of the Universal Life of St. Louis, announces that the entire $300,000 capital and surplus of the company have been paid in. As the deposit has not been made, it will probably be two weeks before the company is licensed and ready for business. President Starnes states that the company will be developed along standard lines, as there will be no stock selling, board contracts or other special inducements. The following officers have been elected: P. M. Starnes, president; J. A. Webb, secretary and treasurer; Dr. P. French, medical director, and Baird Pallett, superintendent of agencies.

THE SOUTH.

—The Phœnix Mutual has recently moved its headquarters for North Carolina from Raleigh to Charlotte, with A. B. Wingfield as State manager.

—Ralph M. Anderson, formerly of Bay City, Mich., has accepted the position of actuary for the Florida Life, and will take up his residence in Jacksonville in the near future.

—The Florida Life of Jacksonville is arranging to erect a nine-story steel frame office building as a permanent home. The site has been purchased and local announcement made of the company's intention.

—Lawrence R. Hendricks and P. A. Kunkel, 226 Linz building, Dallas, Tex., have been appointed State managers for the United States Annuity and Life of Chicago, which will continue to do business in Texas.

—S. C. Gandolfo, former general agent in Western Texas, New Mexico and Arizona of the Missouri State Life, has been appointed superintendent of agents of the Western department by the company, with headquarters at El Paso.

—The Jefferson Standard Life Insurance Company of Raleigh, N. C., having certified to the Insurance Commissioner that the $500,000 capital stock and surplus had been paid in in cash, a license has been granted and it is now ready for business.

—On page 357 of The Insurance Year Book (Life and Casualty volume) the name of McCaslan Y. Manley is given as agency manager of the State Mutual Life of Rome, Ga. Mr. Manley is not now connected with the company, the present agency manager being Fred. Averett.

—G. A. Riviere of Mobile, Ala., has severed his relations with the Equitable of New York, with which he has been connected since 1903. Mr. Riviere has always been a conspicuous producer, both for the Equitable and New York Life. He intends taking a month's rest, and then make connection with another company.

—One of the many complications in insurance affairs in Texas since the passage of the Robertson law is the instituting of a suit for a receiver and asking for an injunction to prevent the Washington Life from withdrawing from that State. This action will probably cause a quicker test of the new law than that proposed by the Metropolitan Life, which is transacting business in the State regardless of the Robertson act. The suit in question was instituted by Mrs. Cora Clark for the recovery of $7000, which was the amount of a policy held by her husband at the time of his death. The grounds on which the injunction and receivership is asked are that the company is attempting to place its assets outside of the State without first satisfying the claim held against the company by the plaintiff.

MISCELLANEOUS LIFE NEWS.

British Offices Life Tables, 1893.

[Inclusive Volume of Select Tables.]

As is well-known the Institute of Actuaries and the Faculty of Actuaries have issued eight volumes covering the mortality experience of British life offices for the thirty years ending with 1893.

Volume 7 of that series gave "Select Tables deduced from the graduated experience of whole life participating assurance on male lives." Another work along somewhat similar lines was prepared by Hy. J. Baker and A. H. Raisin, and announcement is now made that arrangements have been completed to withdraw both works from sale, and incorporate them in one volume. The new volume has been published under the auspices of the Institute and Faculty, forming a new number seven of the series under the title "Select Tables, Based Upon the Male Assurance Experience of the British Offices' Life Tables ($O^{[m]}$ and $O^{[n\ m]}$). Additional tables have been added to the volume including Whole Life ($O^{[m]}$) Policy Values, for all entry ages and durations, at six different rates of interest; further complete tables of term annuities according to the $O^{[n\ m]}$ Table; and certain Annuity Tables on Two Lives. Copies of this new work may be ordered through The Spectator Company, 135 William street, New York, price $15. The complete set of eight volumes can also be supplied, the price being $84.50.

National Association of Life Underwriters.

A large attendance is expected at the convention of the National Association of Life Underwriters, to be held at Toronto next week. Nearly six hundred delegates and alternates have been selected to attend, and while it is scarcely expected that all will be present, still the meeting of the Life Underwriters Association of Canada, which precedes the larger body, will aid in swelling the attendance, many of its delegates staying over. The programme arranged for the convention is as follows:

Wednesday, August 21—Morning Session. Invocation—The Rev. Dr. John Potts of Toronto.

Addresses of Welcome—Emerson Coatsworth, mayor of Toronto; David Burke, president Life Officers Association of Canada; L. Goldman, managing director North American Life; new president of the Life Underwriters Association of Canada.

Rollcall of Delegates—Reading minutes of previous convention, president's address, secretary's report, report and recommendations of the executive committee, treasurer's report, announcements of local committee.

Afternoon Session. Address—E. E. Rittenhouse, Insurance Commissioner of Colorado, "Fooling the Public, the Penalty."

Discussion of Five-Minute Topics—"The Future of Life Insurance if Existing Conditions Continue."

Address—Henry H. Putnam, secretary of the National Association of Fire Insurance Agents, "Agents Organizations in Insurance."

Thursday, August 22—Morning Session. Address—T. B. McCauley, vice-president Fifth International Congress of Actuaries, secretary and actuary of the Sun Life of Canada, "Insurance Legislation and Its Results, British American and Canadian."

Continuation of Discussion of Five-Minute Topics—"Reflections and Observations on Section 97 of the New York Laws"; "How to Pick Good Men for Sub-Agents."

Address—Joseph A. Goulden, member of Congress from New York and general agent of the Penn Mutual Life, "The Agent, the Creator of the Business of the Past, the Hope and Factor of the Future."

No regular session will be held in the afternoon, which will be devoted to committee conferences and garden party and reception at the Royal Canadian Yacht Club, tendered by the Life Underwriters Association of Canada.

Friday, August 23—Morning Session. Announcement of successful prize essayists: "The Life Insurance Agent and His Future."

Presentation of the Calef loving cup, presentation of Ben Williams vase, reading of prize essays, new business.

Afternoon Session—New business, report of nominating committee, election and installation of officers, unfinished business, selection of time and place of next annual convention, adjournment, meeting of new executive committee.

Evening—Banquet—Toastmaster, Former President Charles W. Scovel. "The Lion and the Eagle," Benjamin F. Crouse, Insurance Commissioner of Maryland; "Public Opinion," Rodolphe Lemieux, Postmaster-General of Canada; "Canada," George W. Ross, ex-Premier of Ontario; "Economic Value of Life Insurance," Harry Cockshutt, president Canadian Manufacturers Association; "Fifty Years of Life Insurance in Canada," George A. Cox, president Canada Life.

—Copies of the new insurance laws enacted at the recent session of the New Jersey Legislature can be supplied at fifty cents per copy by The Spectator Company, 135 William street, New York.

—On Monday, the 12th inst., The New York World claims to have filed with Governor Hughes twenty charges against Superintendent of Insurance Otto Kelsey, winding up with a demand for his removal. Apart from taking up the Governor's time in reading them, these "charges" will create little interest, inasmuch as most of them are so absurd as to carry a denial on their face, while others refer to alleged infractions of laws which are not yet fully operative. If there is any sane man capable of handling the New York Insurance Department better than Mr. Kelsey has done, the insurance world would be glad to know it. Meanwhile, the Superintendent keeps on the even tenor of his way, performing more work than any of his predecessors and enforcing the law to the best of his ability, which is by no means small.

Casualty, Surety and Miscellaneous

Automobile Collision Insurance in New York.

Superintendent of Insurance Kelsey has made public an opinion from the Attorney-General in reference to automobile collision insurance. Under Chapter 206 of the Session Laws of this year, automobile collision insurance is for the first time recognized. Heretofore some of the ocean marine companies operating under Article 4 of the Insurance Law have written automobile collision policies. With the enactment of this year the question was raised by the Department as to the right of corporations of this character to write such contracts.

The companies affected requested that the matter at issue should be passed upon by the Attorney-General, and through the Insurance Department submitted a brief to that official. The Attorney-General in his opinion holds that automobile collision policies can only be written by general casualty corporations operating under the provisions of Article 2 of the Insurance Law, and duly licensed by the Department under the 10th subdivision of Section 70 of Article 2 of the law, as added by the amendment of this year.

The companies now licensed by the Department under the amendment of this year are: Ætna Accident and Liability, Travelers Indemnity, Employers Liability, General Accident, Ocean Accident and Guarantee.

The opinion of Attorney-General Jackson, as submitted to Superintendent Kelsey, is as follows:

You state that there is a question at issue in your Department respecting the right of the Insurance Company of North America and the Columbia Insurance Company to write policies of insurance against loss or damage to automobiles resulting from collision in connection with the use of such automobiles.

Your letter on this subject informs me that the first named corporation has heretofore received authorization to transact business under Articles 3 and 4 of the Insurance Law, while the second corporation is licensed under Article 3 only of the Insurance Law.

It appears that, prior to 1907, there was no provision in the statutes of this State expressly conferring the power on any class of insurance corporations, to carry on the business of automobile insurance of any kind. The legislature gave recognition to that class of insurance for the first time by the enactment of Chapter 206, Laws of 1907, by amending, respectively, Sections 70, 110 and 150 of the Insurance Law. Section 110 is a part of Article 3, and Section 150 is a part of Article 4 of said law. The amendment to each of said sections was precisely the same, so far as phraseology is concerned, and consisted of the insertion of the words "including insurance upon automobiles, whether stationary or being operated under their own power." Section 70, being part of Article 2, which relates to life, health and casualty insurance corporations, was amended by inserting a new subdivision, No. 10, to read as follows:

"Against loss or damage to automobiles resulting from collision, and against loss by legal liability, or damage to property resulting from collision of an automobile with another automobile, vehicle or object."

It is contended by the counsel of the two companies named that Sections 110 and 150, as amended, confer upon corporations authorized to do business under Articles 3 and 4 of the Insurance Law, the right to insure automobiles, not only against loss or damage by fire, but also against the hazard of collision in connection with the use of the same.

My interpretation of the amendatory provisions of Chapter 206, Laws of 1907, is not in accord with the contention of the counsel of the two companies above named, and I quite agree with the position taken by your Department, that it was not the intention of the legislature to confer authority to issue policies agains collision hazards in the use of automobiles upon corporations authorized to transact business under the provisions of Articles 3 and 4 of the Insurance Law. The act mentioned, in adding a new subdivision to Section 70 of the Insurance Law, expressly empowers casualty companies only to write automobile collision contracts, and thereby restricts that class of insurance to companies operating under the provisions of Section 70. By the strongest implication, the statute withholds from companies operating under the other articles of the Insurance Law, the right to enter into such insurance contracts.

Annual Meeting of the Detroit Conference.

The annual meeting of the Detroit Conference, which is composed of companies trausacting accideut and health insurance on the industrial plan, will be held at the Grande Pointe Hotel, Grande Pointe, Mich., August 27-29. An attractive programme has been laid out, embracing routine business, reports of officers and committees, the question box and the following papers: Inspection of Risks and Collections, by L. O. Chatfield, Phœnix Preferred Accident; Can Local Conditions be Improved by Organization? by Simon Whitestone, Pittsburg Sick and Accident Uniou, and The Agent; His Duties Toward Policyholder and Company, by Reinhold R. Koch, American Assurance Company. The meeting will be presided over by President V. D. Cliff. Louis H. Fibel is chairman of the executive committee.

Limitation on Federal Surety Bonds.

A circular letter has been issued by Beekman Winthrop, assistant secretary of the United States Treasury Department, regarding the ten per cent limitation on surety bonds, which reads as follows:

Gentlemen—I have the honor to acknowledge receipt of your letters of July 20 and 24, 1907, relative to the proper construction of Department order of February 1, 1907, limiting the amount of liability which a surety company may assume upon any one bond to 10 per cent of its capital and surplus, and requesting a ruling upon the question whether the penal sum of the bond or the estimated liability is regarded as the proper basis of the risk, in requiring surety companies to cover by reinsuranee or collateral security all amounts in excess of the 10 per cent limitation. In reply, your attention is invited to rule 4 of form No. 360 of this office, being a special schedule of single risks in excess of the 10 per cent limitation, which provides that—

"The full penalty of the bond must be used as the basis of the risk."

The Department is not ready at this time to make any exceptions to this rule in the cases which you particularly mention, viz., the bonds of administrators, etc., which are required to be given in double the estimated value of the estate, and where it is alleged that there are no debts, and that the administrator is the sole beneficiary; or appeal bonds, which are given in double the amount of the judgment appeaicd from; or bonds of the Internal Revenue Service, upon which, under the order of February 1, 1907, departmental approving officers are authorized to accept a surety company upon any of such bonds, or upon the bonds of any one principal, in amounts equal to the full capital and surplus of such company.

In the case of bonds of the Internal Revenue Service it is believed that no proper basis can be found in the language used in the order of February 1, 1907, for the assumption that because the limit imposed upon this particular class of bonds differs from that which applies to other bonds of the Department, the former are, therefore, taken out of the provisions of paragraph 2 of the order, which requires reinsurance or collateral security to cover all amounts in excess of the 10 per cent limitation upon the bonds of "any individual, firm, association or corporation."

The limitation prescribed for bonds of the Internal Revenue Service differs from the limitation imposed upon other bonds under this Department, and the undertakings of the companies other than those of this Department, to the following extent:

1. A company may qualify upon any single bond, or upon several bonds for any one principal, under the Internal Revenue Service, for amounts equal to the total capital and surplus of such company. The amounts in exeess of 10 per cent of the capital and surplus of each company upon any one of such bonds must be covered by cosuretyship, reinsurance, or acceptable eollateral security.

2. Upon other bonds under this Department a company may qualify for 10 per cent of its capital and surplus upon any one bond, or by joining with one or more other acceptable companies for an amount equal to 10 per cent of the combined capital and surplus of such companies. No provision is made for aecepting reinsuranee or collateral security upon such bonds.

3. No limitation is imposed upon the amounts for which a surety company may qualify upon bonds other than those under this Department; but upon all such bonds the company must be secured by cosuretyship, reinsurance, or acceptable collateral security for amounts in excess of 10 per cent of its capital and surplus.

In all such cases the penalty of the bond will be regarded as the liability. The Department does not recognize any offset on account of any estimate of the liability, and hereafter in reporting to this office quarterly the total gross amount of insurance in force, the companies will be required to show the full penalties of the bonds. Companies which have heretofore estimated their liabilities will be required to separate the insurance in force based upon an estimate from the insurance in force as represented by the full penalties of the bonds, and to inelude in the latter figure all bonds and undertakings exeeuted on or after August 1, 1907.

The following is the revised list of surety companies with the limitations imposed, according to the Treasury ruling:

Ætna Indemnity	$76,200	Merchants Trust, Philadelphia.	60,591
American Bonding	88,659	Metropolitan Surety	41,921
American Fidelity	31,184	Mississippi Valley Trust, St. Louis	859,263
American Surety	514,025	National Surety	100,752
Bankers Surety	59,347	Pacific Surety, California	36,610
Cambridge Trust	59,347	Peoples Surety	59,018
Citizens Trust and Guaranty..	42,728	Pennsylvania Surety	29,057
Commercial Trust, Missouri...	103,054	Southern Surety, Oklahoma City	45,198
Detroit Trust	138,150	Title Guaranty and Surety	126,310
Empire State	89,390	Union Trust, Pittsburg	2,506,557
Federal Union	34,804	United States Fidelity and Guaranty	209,187
Fidelity and Casualty	252,974	United States Guarantee	56,048
Fidelity and Deposit	483,964	United Surety	61,639
Fidelity Trust	212,987		
Guaranty Trust	32,626		
Illinois Surety	30,195		
Industrial Trust, Title and Savings, Philadelphia	117,006		

Inter-State Live Stock Company of Seattle.

In THE SPECTATOR of May 2, 1907, there was printed an articie relative to the above named company, wherein it was stated that the concern had as its president H. E. Harris and S. K. Houston, secretary and treasurer. H. E. Harris, we were informed upon investigation, was the wife of J. J. Harris, formerly of the firm of Harris & Maize of Dallas, Tex., who at one time represented the Inter-State Live Stock of Washington, D. C. This company was forced to suspend business owing to irregularities discovered by Superintendent of Insurance Thomas E. Drake of the District of Colůmbia. The Seattle company now turns up with a letter head giving its home office at Seattle, Wash., but with the "main office" at Milwaukee, Wis., and J. J. Harris as secretary.

Casualty Notes.

—By the addition of $50,000 to its deposit at Albany, the Frankfort Marine, Accident and Plate Glass Insurance Company is enabled to write burglary business in New York. It has been writing this line in other States for some time past.

—The Hartford Steam Boiler Inspection and Insurance Company of Hartford has purchased the old home office building of the Travelers in that city, the company having outgrown the old quarters in the Ætna Life building, where it has been located for thirty-five years.

—The offices of the Southern department of the United States Health and Accident of Saginaw at Atlanta will be located in the Candler building after September 1, in charge of Gen. J. L. Stoppelbein. The company has made many appointments in the Southern States, aud is now preparing the necessary papers for entering Florida.

—President H. M. Coudrey, of the National Association of Casualty and Surety Underwriters, has made advances to the National Association of Local Fire Insurance Agents, with the idea of operating the two organizations in conjunction. It is suggested that Secretary Putnam of the National Fire Agents Association act as secretary of both organizations.

—Geo. E. Beedie, Insurance Commissioner of Wisconsin, on examination of the affairs of the Wisconsiu Health and Accident of Fond du Lac, Wis., found that the total assets were $774 and liabilities $1346, and has requested the Attorney-General of that State to bring suit against the company for the revocation of its charer, on the ground of insolvency. There is an unsatisfied judgment of $485 outstanding against the company in favor of August Roerdart, on a policy taken by default.

Surety Notes.

—The Empire State Surety Company of New York has withdrawn from Massachusetts.

—The amended section of the Massachusetts law relating to surety companies is as follows: "No insurance company authorized to transact business in this Commonwealth shall insure in a single risk wherever such risk is located, a larger amount than one-tenth of its net assets, unless it has provided for reinsurance of the excess over said limit, to take effect simultaneously with the original contract; and if any foreign insurance company violates this provision the Insurance Commissioner may revoke its authority to transact business in this Commonwealth."

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of liceused and unliccnsed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, $7; book only, $5; monthly supplement only, $2 per annum.

Akron Mutual Fire Insurance Company, Akron, O.

This company has been incorporated to do a general fire business on the mutual plan. William M. Hiltabidle, a director of the North American Mutual of Mansfield, is to be manager of the company. The temporary organization includes Edwin Stackhouse as president, and C. W. Kempel, secretary.

Craft Owners Indemnity Exchange.

It is reported that an organization bearing the above title has been formed, with headquarters in Seattle, for the purpose of supplying insurance to owners of gasoline and other pleasure launches on Puget Sound and nearby lakes.

Excelsior Fire Insurance Company, New York.

This company, which expects to commence business in a short time, has issued an announcement over the signature of President P. B. Armstrong to real estate owners, etc., as follows:

(1) That the total expense will not exceed 15 per cent.

(2) That it will insure only brick, stone and iron buildings of the preferred class, but not their contents, and property protected with automatic sprinklers, including contents.

(3) That the fire loss of one class may not be chargeable to the other.

(4) That three-fourths of the entire profit derived from the reduced expense on all profit-sharing policies will be returned to such policyholders on May 1 of each and every year.

Firemans Fund Insurance Company, San Francisco.
Firemens Fund Insurance Corporation, San Francisco.
Home Fire and Marine Insurance Company, San Francisco.

The recent examination of the Firemans Fund made by S. H. Wolfe for the Insurance Department of Wisconsin was of an unusually exhaustive character, as the report of the examination not only exhibits the company's condition as of June 30, 1907, but traces the methods employed in carrying out its rehabilitation and the plans adopted for the settlement of its huge losses by the San Francisco conflagration of April, 1906. The following excerpts, which cover practically all the important items that have not appeared in some previous issue, are culled for presentation:

ASSETS.

Book value of real estate unincumbered		$577,002
Mortgage loans, first liens		273,480
Loans secured by pledge of bonds and stocks		108,000
Book value of bonds	$2,610,835	
Stocks	610,279	
		3,221,114
Cash in company's office	$11,666	
Bank deposits	261,216	
		272,882
Agents' balances on business subsequent to April 1, 1907		838,039
Bills receivable taken for marine risks		32,824
Other ledger assets:		
Open accounts, treaty companies		12,760
In hands of London correspondents to meet accruing losses		49,049
Total ledger assets		$5,385,150
Ledger liability, amount on deposit to credit of Firemens Fund Insurance Corporation, to meet their outstanding losses		70,315
Ledger assets, as per balance		$5,314,835
Interest due, $294; accrued, $1913; on mortgage	$2,207	
Interest accrued, $89, collateral	89	
		2,296
Market value of stocks over book value		18,710
Balance due from Firemens Fund Insurance Corporation on reinsurance contract		9,734
Total admitted assets		$5,345,575

LIABILITIES.

Gross claim for unpaid losses	$356,769	
Deduct reinsurance on same	74,629	
Net amount of unpaid claims		282,140
Unearned premium on fire risks	$2,369,051	
Unearned premium on marine risks	333,208	
Total unearned premium		2,702,259
Miscellaneous accounts and unpaid bill to become due		13,000
Commissions, brokerage, etc., to become due to agents, etc		169,263
Total liabilities, except capital		$3,166,662
Capital actually paid up in cash	$1,600,000	
Surplus over all liabilities	578,913	
Surplus as regards policyholders		2,178,913
Totals liabilities		5,345,575

The income and disbursements during the six months ended June 30, 1907, were as follows: Premiums, $3,613,779; other income, $478,285; total income, $4,162,536. Disbursements: Net amount paid for losses, $1,249,885; expenses, $1,481,846; total, $2,731,731.

Firemens Fund Insurance Corporation.—This corporation, by vote of its stockholders, on June 20, 1907, reduced its capital to $200,000, which its profits during its ten months of active business will more than equal. In this way the directors will be able to distribute to the stockholders, without impairment of capital, the face of their instalment payments, and the ultimate result of the year's investment to the stockholders of the corporation will be a profit of from 20 to 30 per cent.

Home Fire and Marine Insurance Company.—On June 28, 1907, the company sold to the corporation its ownership of the entire stock of the Home Fire and Marine Insurance Company for $260,000. Prior to this, however, the company had reinsured the outstanding risks of the Home Fire and Marine. It appears to me (and in this view the company officers concur) that the price was low, and if the corporation desires merely to liquidate the Home, instead of continuing it as a live organization, the result will afford some profit to the corporation. An explanation of this sale, even at a sacrifice, is found in the fact that Insurance Departments have insisted that the stock of the Home should not be owned by the company. The view has been expressed that, not only would this stock be disallowed as an asset, but, owing to the stockholders' unlimited liability laws in California, the company ought not to be placed in the position of being responsible for the liabilities of another corporation. Under these circumstances, the company deemed it advisable to dispose of this stock before another semi-annual statement was filed.

In concluding his report, Mr. Wolfe said:

"It is difficult to imagine any institution being subjected to a more severe test than was the Firemans Fund Insurance Company. It has emerged from it with its reputation untarnished and its excellent plant intact. The credit for this happy result belongs in great part to the loyalty of the officers and employees and to the remarkable plan of rehabilitating an institution which had practically been wiped out by an unusual catastrophe, but in the final summing up due credit must be given to the loyalty of the claimants in San Francisco, who united with the officers in an endeavor to prevent the extinction of a company which had enjoyed so many years of honorable dealing with its policyholders.'

International Reinsurance Company, Vienna, Austria.

On December 31, 1906, this company's balance sheet showed $626,576 of assets and a capital of $320,000. Its premiums in 1906 amounted to $514,397, and its loss balance for the year was $39,545.

Iowa Grain Dealers Mutual Fire Insurance Company.

A company bearing the above title is in process of organization.

Merchants Mutual Fire Insurance Company, Denver, Col.
Mercantile Fire Insurance Company of Denver, Col.

Under the new law of Colorado, the above-named mutuals have reorganized as stock companies, to be known as the Merchants Fire and the Mercantile Fire. Each has $50,000 paid-up capital and a cash surplus of $25,000, the authorized capital being $200,000. W. J. Galligan and J. R. Gardner are, respectively, president and secretary of both companies.

Illinois National Insurance Company, Springfield, Ill.

An examination of this company, conducted by the Illinois Insurance Department, brought its affairs down to June 18, 1907, at which date its assets and liabilities were as follows:

LEDGER ASSETS.

Mortgages		$9,591.87
Bonds, Cincinnati, Bluffton & Chicago Railroad first mortgage 5 per cent, 1933		30,000.00
Stocks, First National Bank, Mansfield, Ill		13,200.00
Cash in office		440.00
Cash in bank, First National Bank, Mansfield	$17,821.33	
Cash in bank, Illinois National Bank	9,035.14	
		26,856.47
Certificate of deposit, American Trust and Savings Company, Springfield, Ohio		33,400.00
Certificate of deposit, First National Bank, Mansfield, Ill		4,500.00
Certificate of deposit, Illinois National Bank, Springfield		31,560.00
Error in bank account		.53
Total ledger assets		$149,548.87
Uncollected premiums on business written subsequent to March 18		33,877.49
Uncollected premiums on business written prior to March 18		5,941.24
Interest accrued on mortgages		165.43
Interest accrued on bonds		449.88
Interest accrued on certificates of deposit		294.98
Total assets		$190,277.89

NON-ADMITTED ASSETS.

Deduct premiums over three months due	$5,941.24	
Book value of bonds over market value	1,500.00	
Total non-admitted assets		7,441.24
Total admitted assets		$182,836.65

LIABILITIES.

Losses adjusted and unpaid	$3,470.24	
Losses unadjusted and reported	1,545.00	
Losses resisted	1,987.00	
Total		$7,002.24
Unearned premiums (business written from February 6 to June 18):		
On unexpired risks running one year or less, premiums $60,431.40, pro rata unearned	$49,336.88	
On unexpired risks running three years, premiums $732.24, pro rata unearned	678.48	
On unexpired risks running five years, premiums $1,074.85, pro rata unearned	1,033.70	
Total unearned premiums on full pro rata basis		51,049.06
(Unearned premiums on the basis of one-half of premiums in force on one-year business, five-sixths on three-year business, and nine-tenths on five-year business, $31,793.27.)		
Commissions payable on uncollected premiums		8,853.63
Reinsurance payable		26.13
Total liabilities, except capital		$66,931.06
Capital stock		100,000.00
Surplus over all liabilities, full pro rata basis		15,905.59
		$182,836.65
Total liabilities, including unearned premiums on basis of one-half of premiums in force on one-year business, five-sixths on three-year business and nine-tenths on five-year business		47,675.27
Capital stock		100,000.00
Surplus on said basis		35,161.38
		$182,836.65

The risks and premiums in force were, respectively, $2,692,595 and $62,238. A surplus of $40,000 was paid in by stockholders in February, 1907. The company was organized in January, 1907, and began business February 6. Its receipts to June 18 were as follows: Net premiums, $18,687; brokerage, $11; total, $18,698. Its disbursements were: Losses, $98; commissions, $471; salaries and traveling expenses, $5019; rent, $274; Insurance Department fees, $42; furniture, $566; stationery, $758; attorneys' fees, $1019; office expenses, $736; interest on bonds, $165; total, $9149. The examiner found the mortgages to be accompanied by appraisals showing margins of security equal to, or in excess of, that required by law, and by opinions of title and abstracts showing them to be first liens on the real estate mortgaged. The bonds were found to be quoted at 95 bid, 99 asked, and were carried in at 95. The bank stock was considered worth par. The American Trust and Savings Bank of Springfield was investigated and found to be a first-class, solvent institution. The statement shows that even on the strict pro rata basis of calculation of reserve, the company had a net surplus of $15,906, while on the usual 50 per cent basis its net surplus amounts to $35,161. The examiner reported that "the underwriting part of the business is transacted at the office of the company at Springfield, and the financial part at Mansfield, Ill., where the treasurer, L. M. Fairbanks, resides." Also that "the company is not licensed in any State outside Illinois. Business written outside of Illinois is obtained through brokers and surplus-line agents. It is its purpose, however, I am advised, to discontinue or reduce this brokerage business and regularly enter other States for business."

National Burglary and Fire Office, Ltd., London, Eng.
National General Insurance Company, Ltd., London, Eng.

The National General Insurance Company has been organized to carry on all classes of insurance except life and to take over the business and assets of the National Burglary and Fire Office, which latter has written some surplus line business in the United States. The capital of the National General is given as £1,000,000, and a number of prominent gentlemen are interested as directors.

National Fire Assurance Corporation of St. Louis, Mo.

It is reported that sufficient subscriptions have been received to insure the early incorporation of this company, which is being organized by H. M. Coudrey & Co. of St. Louis. It will have a capital stock of $200,000 and a like

amount of surplus. Harry M. Coudrey will probably be president, and Charles F. Miller, treasurer of the Underwriters Salvage Corps, will be secretary.

Netherlands Lloyd Insurance Company, Amsterdam, Holland.

The statement of this company as of December 31, 1906, snows that it then had $4,329,885 of assets, inclusive of $2,393,600 of stockholders' notes, and that its capital stock was $2,720,000. Its profit balance was $137,475.

North German Insurance Company, Hamburg.

The North German Insurance Company has decided to settle its San Francisco conflagration claims on a basis of 50 per cent, with an additional 7 per cent to cover the expenses of litigation, court costs, fees of local and foreign counsel and so forth. All technical defense will be waived, and practically only fraudulent claims will be contested. The claims brought against the company aggregate $3,000,000. Thirty per cent of this, amounting to $900,000, will be paid beginning on August 10. Another 20 per cent of the face value, as well as the 7 per cent to cover expenses, will be paid beginning October 10. All claims will be settled as rapidly as possible. The compromise agreement has been signed, but the complaints in Hamburg brought against the company by a committee consisting of F. W. Dohrmann, William Thomas, L. A. Redman, William J. Herrin and Oscar Sutro, will not be dismissed until payments are completed.

Ohio Canners Mutual Fire Insurance Company, Columbus, O.

This company has been incorporated to insure against loss by fire, lightning or tornado and to insure goods in transit under mutual provisions. The incorporators are all engaged in the canning business in Circleville.

Orient Mutual Fire Insurance Company, Johnstown, Pa.

A charter has been granted the above-named company. The officers are: John R. Hayden, president; Creed H. Hayden, secretary.

Pasadena Fire Insurance Company, Pasadena, Cal.

C. D. Sergent is president, and W. E. Keller, manager of the Pasadena Fire, which has been organized, with a capital stock of $200,000.

Peoples Fire Insurance Company, New Orleans, La.

This company has began business with the following officers: Alex. C. O'Donnel, president; W. W. Frerichs, Edwin Booth, vice-presidents; Joseph P. Simone, treasure; F. F. Philberte, Sr., general manager.

Pioneer Fire Insurance Company of Oklahoma.

This company was formerly known as the Home Fire Insurance Company of Oklahoma.

St. Paul Fire and Marine Insurance Company, St. Paul.

Semi-annual statement, July 1, 1907: Assets, $4,814,047; net surplus, $1,026,075.

St. Petersburg Insurance Company, St. Petersburg.

It is understood that this company is the only Russian corporation which has refused to admit claims arising from the San Francisco disaster. It appears the St. Petersburg took over half of the Cologne Reinsurance Company's San Francisco business which was acquired by reinsurance arrangements with the Caledonian of Edinburgh. The Cologne has brought an action for the recovery of about $425,000 from the St. Petersburg.

Triumph Mutual Fire Insurance Company, Beaver, Pa.

The above-named company has been granted a charter. The officers are: N. M. Dodd, president; W. W. Shillto, vice-president; Joseph F. Gilliland, treasurer; C. Thompson, secretary.

West Virginia Fire Insurance Company, Charleston, W. Va.

This company, which is being organized by J. W. Scherr, has a considerable portion of its capital subscribed, and will probably commence business by January 1, 1908.

Western National Insurance Company, Chickasha, Okla.

The above-named company has completed organization, with a capital stock of $25,000, and has been licensed to transact fire, lightning, tornado and plate glass insurance in Oklahoma. Its officers are: President, W. T. Corder; vice-president, Jas. H. Smith; secretary-treasurer, Guy Sacket. The directors are the officers, Ed. S. Vaught and E. J. Archinard. Mr. Corder is a shoe merchant in Oklahoma City; Mr. Smith is in the insurance business; Mr. Sacket is clerk of the United States Court, Chickasha, I. T.; Mr. Vaught is connected with Du Mars, Calhoun & Vaught, Oklahoma City, and Mr. Archinard is in the insurance business in Oklahoma City. The South-West Underwriters Company of Oklahoma City is general agent for the Western National.

Western Reserve Fire Insurance Company, Cleveland, O.

The condition of this company on May 31, 1907, as ascertained by examination by the Wisconsin Insurance Department, was as follows: Assets, $417,734; capital, $200,000; net surplus, $102,891.

Causes of Nearly 70,000 Fires.

During the past eight years the Continental Insurance Company has classified the causes of 69,579 fires for which it paid claims (not including San Francisco conflagration claims). By general classes they were as follows:

Unknown	3,972	Sawdust spittoons	58
Outside causes, exposures, etc.	9,459	Rats and mice	872
Lightning	5,719	Pickers	47
Incendiarism	3,517	Steam dryers	6
Carelessness	13,219	Friction	402
Lighting	9,937	Natural gas	105
Heating	14,709	Sunlight through glass	22
Vacancy	74	General conflagration	990
Sparks	2,746	Coffee roaster	4
Ashes	406	Moving-picture machine	2
Naphtha, gasolene, benzine, etc.	376	Slaking lime	1
Fireworks	486	Alcohol	26
Illuminations, wakes, Christmas trees, etc.	259	Chemicals	12
Spontaneous combustion	1,898	Total	69,579
Explosions	248		

Annual and Deferred Dividends.

"Annual and Deferred Dividends" is the title of a handy book just issued by The Spectator Company. It contains the records of the dividends paid by thirty-seven life insurance companies in 1906 on policies issued in the years 1876 and 1905, inclusive, on the ordinary life, twenty-payment life and twenty-year endowment plans per $1000 at ages 25, 35, 45 and 55 at date of issue. On a page for each company is a computation of the net cost of insurance each year, based on the dividends declared and paid in 1906. Explanations of the methods of calculating dividends are incorporated in the book. Price, $1.50.—The Insurance Press.

Annual and deferred dividends paid to policyholders in 1906 on policies issued in the years 1876 to 1905, inclusive, on the ordinary life, twenty-payment life and twenty-year endowment plans at ages 25, 35, 45 and 55 at date of issue, have been compiled in a pocket booklet by The Spectator Company, 135 William street, New York. The price of the book, bound in flexible leather, is $1.50.—Insurance World.

The Spectator:

The Spectator, *established in 1868, is a weekly journal devoted to promoting the best interests of trustworthy insurance of all kinds. The subscription price for the United States, Canada and Mexico is Four Dollars per annum, postage prepaid. To all foreign countries in the Postal Union, Five Dollars per annum.*

The Spectator *has a larger circulation than any other insurance journal—and carries no "deadhead" subscriptions.*

THE SPECTATOR COMPANY, Publishers.

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Vol. LXXIX. *THURSDAY, AUG.* 22, 1907. No. 8.

THE growing disposition on the part of State legislatures to increase the taxes and license fees on insurance corporations to an almost prohibitive extent is causing no little consternation in underwriting camps. An analysis of the progress made in this direction during the past few years will demonstrate that not only have State taxes and license fees been considerably increased, and in some instances nearly doubled, but that numerous counties and municipalities, more especially in the Southern States, have passed ordinances imposing license fees, which in the aggregate constitute no mean imposition. In addition to the foregoing, fire companies are called upon to contribute a certain percentage of their premium income to the support of superannuated or injured firemen. Accepting these conditions as the companies find them, which they are compelled to do, or otherwise cease business, the question arises: Is there any remedy? It has been proved repeatedly that the people will resist a direct tax; indirect taxation, on the other hand, the nature or limit of which they cannot or will not comprehend, is a burden they cheerfully shoulder.

"He that is robbed, not wanting (knowing) what is stolen,
Let him not know't, and he's not robbed at all."

That the public is thoughtless and little given to thinking concerning its best interests, is a fact we may all agree upon. It requires to be taught. Realizing these conditions, it appears that a feasible and altogether practicable plan might be formulated whereby the insuring public would become fully cognizant of the burdens it is saddled with in addition to the actual cost of insurance. If it be found that the taxation in any given State is equal to three per cent upon the premiums received therein, let the companies attach riders to all policies issued in that State, calling the insured's attention to the fact that three per cent of the premium charged is due to the tax laws of the State. By putting it up to the insured in this manner much might be accomplished toward lessening the ever-increasing burdens imposed on insurance companies. Give the insured an opportunity to realize the fact that he is "paying the freight." If he enjoys it, well and good; if, on the other hand, he thinks it an unwarranted imposition, it is up to him to make strenuous efforts for the repeal of such tax measures. A striking illustration of the amounts collected by State Insurance Departments over that required to defray all expenses is furnished in the report of one of the Western States for the year ended December 31, 1906. The credit balance over all disbursements of Insurance Department and Fire Marshal's Department was nearly a million dollars.

THE annual reports of the committee on insurance law to the meetings of the American Bar Association during the past three or four years have been of exceptional interest, and the one to be submitted at the meeting at Portland, Maine, next week is as strong as any that have preceded it. The question of National supervision again comes in for a share of attention, and for the first time there is an unanimous report from the committee in its favor. There is a strong presentment against the compulsory investment of insurance reserve funds as required by the Robertson law of Texas, while at the same time an argument is made for deposits in some one State by companies chartered by foreign governments. Deferred dividend surplus is alluded to as one of the causes of existing evils, and the recommendation is made that the dividends which may ultimately be paid with the principal sum should be annually contingently apportioned and credited to the several policies and notice given to the policyholder of such apportionment. Among other subjects coming in for condemnation are underground insurance and valued policy laws, while the advantages of a State fire marshal law are pointed out. Copies of four proposed acts are appended to the report as follows: Prescribing the terms and conditions under which corporations created by the laws of foreign governments may be permitted to transact the business of insurance; to create the office of State fire marshal and to prescribe his duties, and providing for his compensation; to forbid the use of the mails and postal facilities of the United States to certain persons, associations, copartnerships, and corporations; to require the annual appropriation and accounting of surplus of life insurance companies.

ONE of the bills recommended by the Armstrong committee to the New York Legislature and subsequently passed by that body required the life insurance companies of New York to dispose of all stocks held by them within five years from the passage of the act. Eleven companies were affected by this bill and their holdings of stocks at the close of 1905 amounted to more than $127,000,000. In attempting to dispose of such a large amount of securities, even in a space of five years, considerable care must be exercised to see that the policyholders do not suffer any loss. The condition of the stock market must also be considered, and it is somewhat unfortunate that in the past year or so the prices of even the very best of securities have declined very heavily. However, the companies are proceeding in good faith to obey the mandate of the law and the two companies holding the largest amounts of securities of this nature have already disposed of large blocks of their holdings. These have not been dumped at random on the market, but each security has been handled in such a shape as not to disturb unnecessarily the course of prices nor cause embarrassment to the corporation originally

issuing the stock. Thus far the securities sold have netted a goodly sum to the companies as profit, and by exercising corresponding care during the next few years the law will be obeyed without prejudice to the interests of the policyholders.

DESPITE the decision of one Hartford company to yield, without resistance, to the court order restraining it and other companies from using the advisory fire insurance rates promulgated by a rating bureau in Kansas, the remaining Hartford companies will contest the justice of the injunction, as will, doubtless, all or most of the other interested companies. A strange feature of this controversy is that in a similar attack made upon the fire insurance companies several years ago, their right to subscribe for and be guided by advisory ratings was upheld in the supreme court of Kansas. It is altogether probable that a like result will follow in the present case, if the State officials determine to push it. Nevertheless, it imposes upon the companies the burden of the expense and trouble of fighting the same battle over again. It would appear eminently proper for the lower courts in Kansas to be governed by the precedents set by the supreme court of that State, and not to aid in nor permit the commencement of harassing suits which manifestly can not accomplish the object for which they are brought, and which can do no good to anyone except, perhaps, to add to the political prestige of the instigators of the useless, but expensive suits.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

The North American Life of Newark has just completed the issue of its second block of stock, $100,000. The president and vice-president are now in the West perfecting a strong field organization there.

Last week the Mutual Life of New York disposed of its entire holdings of the stock of the United States Mortgage and Trust Company to a syndicate. The company held $1,073,600 par value of the stock, the market value on Dec. 31 last being given as $4,831,200, and it is stated that the syndicate paid about that price for it. Since the first of the year the company has also sold many of its bank and railroad stocks, most of them at prices well above the value at which they were carried. This action has been taken in conformity with the law requiring life insurance companies to dispose of all their stocks within five years from the passage of the Armstrong legislation in New York.

BOSTON AND VICINITY.

John A. Voodry has assumed his duties as superintendent of agents in the office of Sidney M. Hedges, general agent of the Mutual Benefit.

Joseph A. Green, formerly a well-known insurance agent of Lowell, Mass., died August 14, aged sixty.

An interesting case is that of a certain agent of a Boston life insurance company, who is charged with having offered to receipt certain premiums in full on some policies that had lapsed, in order to keep the policies in force. The amount of the rebate is given as $1.40. The agent pleaded not guilty to the charge, and the case will go to the higher courts.

The many friends of Percy V. Baldwin, manager of the life department of the Travelers, will be glad to know that the condition of his health is improving.

NOTES FROM PHILADELPHIA.

On September 1, the Employers Indemnity Company will move its offices from the Stephen Girard building to the West End Trust building, Broad street and South Penn Square.

Thomas P. Cummings, manager of the Ætna Indemnity Company for this territory, will move his offices from 422 to 328 Walnut street on September 3.

After alterations are completed the home office of the Policyholders Mutual Life Company will be removed to 719 Walnut street.

THE MIDDLE STATES.

—William O'Bryon of Pittsburg has been appointed general agent for the Canada Life.

—The organization of the Continental Life Insurance Company of Wilmington, Del., is nearing completion.

—Charles K. Brust, manager at Pittsburg for the Manhattan Life, reports that the business in his territory during the past few months has been the most gratifying so far experienced.

—The Mutual Benefit Life announces the appointment of Percy C. H. Papps as actuary of the company, succeeding the late Sydney N. Ogden. Mr. Papps was formerly actuary of the Manufacturers Life of Toronto.

—As a patron of life insurance, Rodman Wanamaker has distanced his father, John Wanamaker, who for some time carried $1,500,000. Rodman Wanamaker now carries almost $4,000,000 on his life, having recently taken a number of new policies.

—The Philadelphia Life has made arrangements to open a Pacific Coast department, comprising six or more States, to be in charge of Edward A. Reilly and Theopolius G. Murphy, under the firm name of Reilly & Murphy, with headquarters at Seattle.

—The Scranton Mutual Life, which has recently completed organization, has elected the following officers: James S. McAnulty, president; W. E. A. Wheeler, vice-president and director of agencies; Rufus J. Foster, vice-president; John R. Williams, secretary; Madison F. Larkin, treasurer; Charles E. Boothby, actuary; Dr. A. J. Connell, medical director; Wm. Francis Barnard, consulting actuary; Dr. J. C. Price and Dr. A. J. Wilson, assistant medical directors; Frederick W. Fleitz, general counsel. A large number of directors have also been elected.

THE WEST.

National Life Insurance Company of the U. S. of A

An examination of the well-known Chicago company known as the National Life Insurance Company of the United States of America has recently been completed by the Illinois Department, the same having been requested by the company early in the year. Major J. J. Brinkerhoff, actuary of the Department, conducted the examination and went exhaustively into the affairs of the company, as shown by its books for the two years since December 31, 1904, that being the date of the last examination. A highly satisfactory report was made by the examiner, the company being found in a thoroughly solvent and healthy condition, as shown by the possession of assets amounting to $7,040,753 and a surplus to policyholders of $1,100,965, exclusive of $215,343 set aside upon deferred dividend policies. In concluding his remarks upon the company's condition, the examiner says:

> The company's treatment of claimants is found to be fair and honorable. Undisputed claims are promptly paid, and those resisted are for reasons which apparently furnish sufficient grounds for refusal of payment. The salaries paid officers are not extravagant. The company has experienced a low rate of mortality for the past two years, covered by this examination. The expenses of management during 1906 show a material reduction as compared with those of 1905.

President Albert M. Johnson, in transmitting the report of the examination to the policyholders, points out that the report discloses that the company is in a sound financial condition; that its assets are invested in first-class securities valued upon a fair and conservative basis; that the policy of the company is conservative, the business being conducted with economy and with a view to stability and permanence. It must be gratifying to the company's policyholders to learn that its business is showing a steady and substantial growth. This is evidenced by the new business writings in the first six months of 1907 ($8,579,737), showing a gain of more than two million dollars over the corresponding period of 1906, while during the year ending June 30, 1907, the insurance in force increased more than seven million dollars and is now in excess of $51,000,000. The National of the U. S. of A. is in a prosperous condition, and its management is working along the right lines to bring it

to the front rank of our life insurance companies. A conservative, though liberal management, offering attractive contracts, make this company a satisfactory one for both its agents and policyholders.

—A life company with $100,000 capital is being organized at St. Joseph, Mo.

—The Kansas City Life has been issued a license to transact business in South Dakota.

—C. W. Walker has resigned as manager at Chicago of the North American Life of Newark, N. J.

—C. E. Rawson, president of the Des Moines Life, has sent out a circular letter to policyholders, advocating that the company be reorganized on a stock basis.

—V. T. Palmer, formerly an assistant superintendent in the Spokane office of the West Coast Life, has been appointed superintendent of the Los Angeles district.

—Frederick T. Zetteler, following a period of long service, has been made head of the claim department of the Northwestern Mutual Life, succeeding Julius W. Proeschel.

—T. J. Owens, secretary of the Meridian Life and Trust, is spending his vacation in Northern Michigan, and Arthur Jordan, president, is on a business trip to New York.

—The Colorado Insurance Department has notified all companies operating in the State that they must conform to the new laws regarding agents and brokers, or forfeit their licenses.

—Joseph Keehner of New Albany, Ind., formerly with the Mutual Life of New York, has taken a general agency for ten counties in Southern Indiana for the Meridian Life and Trust, New Albany being his headquarters.

—The Peoples Life Insurance Company of Frankfort, Ind., which has recently gone on a legal reserve basis, will establish an industrial department under the superintendency of G. H. McNamara. A. A. Laird is president of the company, and E. O. Burget, secretary.

—The West Coast Life Insurance Company has just moved into its new offices at the corner of Pine and Leidesdorff streets, San Francisco. Insurance Commissioner Rittenhouse of Colorado, who recently made an examination of the company, gives it a clean bill of health.

—The Royal Fraternal Union, the Fraternal Bankers of America and the American Benevolent Association, all of St. Louis, have gotten into a controversy with the Missouri Insurance Department, and as a result the Attorney-General has notified them that they are to have ten days in which to show cause why he should not proceed against them.

—Field & Cramer of San Francisco have been appointed general agents of the New England Mutual Life for California. The firm is composed of Charles K. Field and Russell B. Field, who have for some years had an active part in the management of the agency under the administration of their father, General Agent Henry K. Field, deceased, and Herman Cramer, Jr., a faithful and successful special agent for Mr. Field during the last eighteen years.

—The Majestic Life Assurance Company of Indianapolis, recently organized on a stock basis, with a capital of $100,000, for the purpose of taking over the business of the Majestic Life, a mutual organization, will begin business about September 1. The officers of the company are as follows: Richard D. Hughes, president; Minor A. Odenthal, vice-president; John S. Maholm, second vice-president; Michael M. Mahoney, secretary, and William S. Tomlin, M. D., medical director.

—F. W. Dalton, formerly of Butte, Mont., has been appointed manager for Oregon for the Colorado National Life of Denver. Mr. Dalton has opened offices at the corner of First and Alder Streets, in Portland, and, as he brought a number of his old agents with him, he is already producing business at a very satisfactory rate. He was formerly manager for the Pacific Mutual in Butte, and his past insurance record justifies the belief that he will make a big success of his new agency with the Colorado National.

—Charles F. Coffin, second vice-president of the State Life Insurance Company, was honored with a high mark of confidence by being unanimously elected agency manager by the board of directors. This will be in addition to his position as head of the legal department, which he has held since the organization of the company. Mr. Coffin is a man of more than ordinary ability as a practitioner of law; his personality has been deeply impressed upon the company, and his counsel in the department for which he was responsible has proven wise and of the utmost value to the company.

—James L. Ferguson, who has resigned as manager of the ordinary department of the Prudential in Northern Illinois, has gone to Rock Island to organize the First Savings Bank Life Insurance Company. Milton Denney, recently supervisor for the Equitable Life of New York in Chicago, and Paul Kersch, for fifteen years district manager for the Mutual Life of New York at Rock Island, are also interested in this enterprise. The new company will operate a plan of co-operation with savings banks in the procurement of business. Its capital will be $100,000, with $50,000 surplus.

THE SOUTH.

The Volunteer State Life Insurance Company.

Some comment has recently been caused by an attempt to belittle the Volunteer State Life of Chattanooga, Tenn. Commissioner Folk of that State, who is known as being decidedly adverse to anything savoring of bad management in an insurance company, promptly took the necessary steps to place the company right before the public. It appears that officers of the Volunteer State vigorously opposed certain bills at the last session of the legislature, thereby incurring the disfavor of those anxious to see the bills passed. An additional reason for the criticisms is found in a refusal on the part of the company to advertise in a more or less obscure Southern insurance journal. The Volunteer State Life has from the first been conducted along legitimate lines, both as to its management and policy contracts, and its progress has been such as to merit commendation. Its officers, headed by President Z. C. Patten, Vice-President E. B. Craig and Secretary A. S. Caldwell, intend to keep to the path laid out at its inception, which experience is proving to be the right one.

—The capital of the Keystone Life of New Orleans will be increased by the sum of $150,000, the stockholders having unanimously approved such an increase.

—The Philadelphia Life has decided to enter Texas, and has appointed E. C. Kirby, formerly with the Meridian Life, general agent for the State, with headquarters at Dallas.

—One of the new organizations to enter the Texas field because of the withdrawal of so many other companies is the Volunteer State Life, with headquarters at Chattanooga. A. C. Biggers was appointed as the North Texas manager.

—The Conservative Life Insurance Company of Wheeling, W. Va., having completed its organization, is now ready for active business. It is offering desirable contracts to live agents, as announced in another column of this issue of The Spectator.

—The Great Western Life of Kansas City has received its Georgia license and has appointed George B. Reynolds Southern manager. Joel F. Armistead has been appointed general agent for the company in Northern Georgia, with headquarters in Atlanta, and Gumble & Copeland, general agents in Southern Georgia, with headquarters in Macon.

—A. E. Kinnison and Henry W. Payne of Academy, W. Va., have formed a partnership and made a general agency contract with the Meridian Life and Trust Company of Indiana for Southern and Eastern West Virginia, with headquarters at Charleston. Mr. Kinnison was formerly with the Equitable Life of New York, and Henry W. Payne was formerly with the New York Life. They are already sending in a nice line of business.

—P. T. Whilden has resigned as manager of the insurance department of the Citizens Savings Bank of Birmingham, Ala., to become treasurer of the American Mutual Industrial Insurance Company of Birmingham, which has been incorporated to transact industrial and accident business, with a capital stock of $25,000. The officers of the company are: C. M. Cory, president; W. A. Hill, vice-president, and F. F. C. Rippon, secretary.

MISCELLANEOUS LIFE NEWS.

The Dilemma of Fraternal Orders.*

In spite of the warnings that have been sounded in the ears of fraternal managers for many years regarding the unscientific basis of their plans, but little has been done toward putting them on a sound footing. It is true that nearly every year during the past decade has seen some one or more orders struggling with the problem of how to make an inadequate rate pay the increasing death losses, but in almost every instance some makeshift plan has been adopted, the most common one being to make the younger members pay the deficiencies of the older ones. The main cause of the difficulties which now beset the fraternal orders is found in the fear which besets their managers at all times in connection with the accumulation of reserves wherewith to meet the inevitably increasing death rate that comes with advancing age. The gospel of the fraternals which has been preached in season and out of season is "keep the reserves in your own pockets." This is a beautiful theory, but theory will not serve to pay the claims later on when the calls for payment of death claims exceed the amounts paid in for assessments. If the members had obeyed the injunction literally and kept the reserves in their pockets until called for they would have been surprised at the speed with which the said reserves disappeared. Unfortunately, there was another cry sounded at the same time which had a greater charm for them, and that was "life insurance at cost," and the echoes of that cry caused them to forget all about the pocket reserves. Life insurance at cost is perfectly feasible, and can be obtained by any person in good health who desires to buy his life insurance as he does his fire insurance, from year to year, but the fraternals entirely omitted the most important condition of life insurance being sold on such terms, namely, that the cost increases

TABLE I.—THIRTY-SIX LEADING FRATERNAL ORDERS.

NAME OF ORDER.....	Ben-Hur.	Brith Abraham.	Catholic Benevolent Legion.	Catholic Knights of America.	Catholic Order of Foresters.	Court of Honor.	Foresters, Independent Order of.	Fraternal Aid Association.	Fraternal Brotherhood.
LOCATION	Crawfordsville, Ind.	New York.	Brooklyn, N. Y.	St. Louis, Mo.	Chicago, Ill.	Springfield, Ill.	Toronto, Ont.	Lawrence, Kan.	Los Angeles, Cal.
Commenced business	1894	1887	1881	1879	1883	1895	1881	1890	1896
Mortuary assessments received in 1906	817,606	283,744	885,385	725,343	1,310,115	915,136	3,137,056	370,687	264,593
Death claims paid in 1906	867,285	278,500	714,311	637,296	1,104,133	531,495	1,993,882	307,369	198,767
Total paid by members in 1906	1,130,516	318,131	907,445	743,515	1,400,617	1,003,509	3,706,983	666,234	422,474
Total payments to members in 1906	871,122	278,500	736,716	637,296	1,104,133	534,037	2,416,813	315,684	230,056
Income saved in 1906	91,932	32,096	148,063	98,186	261,867	327,879	1,202,705	286,194	36,764
Admitted assets December 31, 1906	970,207	335,455	185,838	857,190	1,398,362	864,370	10,586,815	335,467	233,366
Total liabilities December 31, 1906	104,089	78,250	70,750	36,398	128,975	101,145	717,713	15,700	42,802
New members admitted in 1906	14,963	18,109	604	2,909	10,883	10,147	35,493	3,979	8,640
Membership December 31, 1906	93,130	99,489	19,466	19,243	122,691	57,163	246,736	28,877	29,004
Gain (+) or loss (—) in membership during 1906	+4,992	+12,403	—505	+1,888	+4,630	+641	+13,443	+392	+2,268
Insurance in force December 31, 1906	113,768,312	49,744,500	26,397,500	24,686,487	128,034,500	74,385,250	258,695,000	38,350,500	37,980,500
Deaths occurring in 1906	795	572	480	414	1,022	415	1,860	225	187
Lapsed certificates in 1906	9,176	5,134	629	607	5,231	9,091	20,186	3,362	6,185
Death rate per 1000 in 1906	8.77	6.13	24.34	22.62	8.28	7.30	7.75	7.85	6.71
Average mortuary cost per member in 1906	9.02	3.04	44.90	39.62	10.61	16.10	13.07	12.93	9.49
Surplus assets‡ per capita held December 31, 1906	9.30	2.58	5.91	42.66	9.85	13.35	40.00	11.07	6.57
Average amount of certificates in force	1,222	500	1,356	1,281	993	1,301	1,049	1,328	1,309
Average mortuary cost per $1000 in 1906§	7.38	6.08	33.11	30.93	10.68	12.37	12.46	9.74	7.25

NAME OF ORDER	Fraternal Mystic Circle.	Fraternal Union.	Free Sons of Israel.	Golden Cross, United Order of the	Improved Order Heptasophs.	Knights and Ladies of Honor.	Knights and Ladies of Security.	Knights of Columbus.	Knights of Honor
LOCATION	Philadelphia, Pa.	Denver, Col.	New York.	Knoxville, Tenn.	Baltimore, Md.	Indianapolis, Ind.	Topeka, Kan.	New Haven, Conn.	St. Louis, Mo.
Commenced business	1885	1896	1871	1876	1878	1877	1892	1882	1873
Mortuary assessments received in 1906	255,632	302,977	228,927	443,458	1,283,385	1,435,158	648,469	611,873	2,590,214
Death claims paid in 1906	210,854	209,192	240,721	440,958	1,219,006	1,399,375	614,719	358,140	2,579,259
Total paid by members in 1906	345,541	350,781	234,490	486,265	1,406,284	1,613,098	927,535	766,521	2,686,207
Total payments to members in 1906	219,028	215,307	240,721	440,958	1,219,006	1,399,375	620,219	358,521	2,587,519
Income saved in 1906	64,663	47,592	29,286	23,673	93,950	79,020	167,978	320,022	4,732
Admitted assets December 31, 1906	283,017	250,848	1,011,239	177,852	897,401	658,480	1,013,649	1,894,274	262,107
Total liabilities December 31, 1906	63,623	17,001	9,931	59,878	226,375	240,525	50,835	80,950	719,518
New members admitted in 1906	3,720	6,758	522	3,969	10,163	20,027	16,587	9,017	4,413
Membership December 31, 1906	15,021	27,344	10,920	20,010	70,904	89,785	63,016	56,405	37,556
Gain (+) or loss (—) in membership during 1906	+518	+2,686	+55	+1,618	+4,908	+6,697	+6,933	+6,930	—2,570
Insurance in force December 31, 1906	19,480,167	36,784,200	10,920,000	22,164,577	100,024,000	87,978,000	77,362,000	57,961,000	60,592,287
Deaths occurring in 1906	154	188	241	353	812	1,310	532	363	1,458
Lapsed certificates in 1906	3,048	3,884	226	1,998	4,443	12,120	9,122	1,724	5,525
Death rate per 1000 in 1906	10.43	7.23	22.13	18.39	11.86	15.15	8.94	6.86	37.58
Average mortuary cost per member in 1906	17.32	11.65	21.02	23.10	18.75	16.60	10.89	11.56	66.75
Surplus assets‡ per capita held December 31, 1906	14.61	8.55	91.70	5.90	9.46	3.54	15.28	32.15	†—
Average amount of certificates in force	1,297	1,345	1,000	1,107	1,410	980	1,227	1,028	1,613
Average mortuary cost per $1000 in 1906§	13.36	8.66	21.02	20.87	13.30	16.94	8.87	11.24	41.38

NAME OF ORDER	Knights of Maccabees of the World.	Knights of Pythias (Insurance Dep't).	Knights of the Modern Maccabees.	Ladies of the Maccabees.	Ladies of the Modern Maccabees.	Loyal Association.	Loyal Mystic Legion of America.	Modern Woodmen of America.	National Union.
LOCATION	Port Huron, Mich.	Chicago, Ill.	Port Huron, Mich.	Port Huron, Mich.	Port Huron, Mich.	Jersey City, N. J.	Hastings, Neb.	Rock Island, Ill.	Toledo, O.
Commenced business	1883	1877	1881	1892	1890	1889	1892	1883	1881
Mortuary assessments received in 1906	4,159,413	1,903,452	1,222,011	655,287	524,345	164,717	49,594	8,047,081	2,430,835
Death claims paid in 1906	2,977,182	1,593,270	1,101,721	676,287	406,311	160,429	55,403	7,122,218	1,881,382
Total paid by members in 1906	4,642,585	2,256,516	1,392,312	1,510,620	548,418	181,602	67,689	8,828,474	2,437,664
Total payments to members in 1906	3,427,050	1,594,780	1,182,516	687,982	423,317	160,429	55,403	7,122,218	1,881,382
Income saved in 1906	1,029,245	349,303	57,526	668,020	118,058	9,817	*—43	1,262,204	419,279
Admitted assets December 31, 1906	6,547,223	1,781,262	491,678	2,420,279	367,665	185,025	64,921	4,526,052	1,193,536
Total liabilities December 31, 1906	443,464	207,936	120,374	126,957	126,252	11,000	14,291	935,051	207,000
New members admitted in 1906	20,170	15,799	9,364	16,279	4,126	525	342	128,434	5,888
Membership December 31, 1906	285,823	81,819	112,214	128,336	70,188	7,541	5,816	801,254	60,790
Gain (+) or loss (—) in membership during 1906	—13,068	+6,962	—3,991	+4,223	—781	+169	—475	+87,417	—229
Insurance in force December 31, 1906	357,470,292	125,445,000	139,512,500	98,482,331	59,357,000	13,253,000	7,526,500	1323,393,500	129,856,500
Deaths occurring in 1906	2,325	902	874	834	526	79	53	4,222	773
Lapsed certificates in 1906	30,913	7,935	12,481	11,222	4,357	277	746	36,795	5,344
Death rate per 1000 in 1906	7.95	11.51	7.65	6.61	7.45	10.59	8.76	5.57	12.69
Average mortuary cost per member in 1906	14.23	24.30	10.70	5.19	7.43	22.08	8.20	10.62	39.92
Surplus assets‡ per capita held December 31, 1906	21.36	19.23	3.31	17.87	3.44	23.08	8.71	4.48	16.23
Average amount of certificates in force	1,251	1,533	1,243	767	846	1,757	1,294	1,652	2,136
Average mortuary cost per $1000 in 1906§	11.37	15.85	8.61	6.77	8.78	12.57	6.33	6.43	18.69

TABLE I.—THIRTY-SIX LEADING FRATERNAL ORDERS—*Concluded.*

NAME OF ORDER	North American Union.	Protected Home Circle.	Royal Arcanum.	Royal League.	Royal Neighbors of America.	Shield of Honor.	Sons of Benjamin.	Womens Catholic Order of Foresters.	Woodmen of the World (Sovereign Camp).	Totals, Thirty-six Orders.
LOCATION	Chicago, Ill.	Sharon, Pa.	Boston, Mass.	Chicago. Ill.	Rock Island, Ill.	Baltimore, Md.	New York.	Chicago, Ill.	Omaha, Neb.	
Commenced business	1895	1886	1877	1883	1895	1885	1877	1891	1891	....
Mortuary assessments received in 1906	184,095	403,710	8,934,202	538,330	586,788	177,587	248,556	489,715	3,617,679	50,847,155
Death claims paid in 1906	146,628	503,860	7,704,487	545,103	597,406	142,950	273,000	483,387	2,770,701	43,046,987
Total paid by members in 1906	238,419	660,042	9,137,104	727,499	730,736	196,173	273,956	572,495	4,762,620	58,281,079
Total payments to members in 1906	146,628	514,960	7,704,487	565,328	597,406	143,450	273,000	483,387	3,001,314	44,390,048
Income saved in 1906	52,077	56,009	1,341,268	112,036	10,923	35,280	26,442	24,123	1,252,645	10,140,814
Admitted assets December 31, 1906	532,666	959,072	4,760,516	1,174,200	305,493	82,100	183,661	387,698	4,906,460	53,085,444
Total liabilities December 31, 1906	67,557	113,500	932,705	139,589	97,000	14,000	52,323	96,300	662,760	7,132,517
New members admitted in 1906	1,391	12,204	8,393	5,257	21,544	580	1,533	4,900	86,883	524,515
Membership December 31, 1906	13,337	60,771	240,894	30,450	115,593	10,239	20,338	51,299	330,720	3,534,182
Gain (+) or loss (—) in membership during 1906	—534	+3,379	—13,862	+2,926	+18,246	—545	—321	+3,301	+56,128	216,872
Insurance in force December 31, 1906	17,982,000	56,760,500	514,130,500	59,017,500	124,889,250	9,426,500	14,935,500	54,235,161	465,150,100	4796,132,414
Deaths occurring in 1906	98	554	3,097	230	578	154	337	465	2,299	29,781
Lapsed certificates in 1906	1,827	8,271	19,758	2,101	2,720	970	1,517	1,134	15,105	265,164
Death rate per 1000 in 1906	7.21	9.38	12.50	7.93	5.43	14.65	16.44	9.37	7.59	8.69
Average mortuary cost per member in 1906	13.54	6.83	36.05	18.57	5.51	16.90	12.12	9.87	11.95	14.84
Surplus assets‡ per capita held December 31, 1906	34.86	10.62	19.76	33.98	· 1.80	6.65	6.45	5.68	12.83	13.00
Average amount of certificates in force	1,348	934	2,134	1,938	1,080	921	734	1,056	1,407	1,357
Average mortuary cost per $1000 in 1906§	10.04	7.31	16.89	9.58	5.10	18.35	16.51	9.35	8.49	10.94

†—Liabilities exceed assets. ‡After deducting total liabilities. §The foregoing costs do not include "quarterly dues" payable for lodge expenses, ranging from $3 to $6 per member per annum, and which would increase the cost on an average about 25 cents monthly. Except for a per capita tax of 50 cents to $1 included, the "expenses" following in Table II. do not include these "quarterly dues" (A. O. U. W. Table).

TABLE II.—PROGRESS OF FOUR LEADING ORDERS.

KNIGHTS OF HONOR.

YEAR.	Mortuary Assessments.	Claims Paid.	Members Admitted in Year.	Members at End of Year.	Deaths Occurring.	Lapses.	Death Rate Per 1000 Members.	Average Cost to Each Member.
	$	$						$
1906....	2,590,214	2,579,259	4,413	37,556	1,458	5,525	37.6	66.75
1905....	2,729,665	2,741,885	2,769	40,126	1,561	10,257	34.9	61.14
1904....	2,869,304	2,892,637	3,481	49,175	1,679	4,233	33.3	56.94
1903....	2,981,283	2,986,549	4,292	51,606	1,670	4,596	31.7	56.67
1902....	3,082,152	3,066,482	4,093	53,580	1,637	4,649	29.9	56.35
1901....	3,216,217	3,227,089	2,854	55,773	1,706	5,307	29.4	55.40
1900....	3,442,662	3,433,887	3,125	59,932	1,784	8,272	28.1	54.31
1899....	3,594,979	3,515,033	4,389	66,863	2,120	17,662	28.4	48.22
1898....	3,988,194	3,901,286	7,489	82,256	1,887	13,025	21.9	46.40
1897....	3,894,532	3,918,264	10,571	89,679	2,233	15,292	24.0	41.82
1896....	4,261,084	4,155,004	8,358	96,633	2,137	24,800	20 2	40.23
1895....	4,058,331	3,944.233	8,836	115,212	2,067	11,342	17.6	34.54
1894....	3,844,550	3,845,117	9,151	119,785	1,972	10,748	16.4	31.61
1893....	4,020,074	4,017,486	9,321	123,354	2,062	10,978	16.5	32.11
1892....	4,279,401	4,283,392	8,297	127,073	2,051	11,672	15.8	32.97
1891....	4,209,046	4,207,500	11,282	132,499	2,081	11,914	15.5	31.43
1890....	3,483,982	3,482,000	12,062	135,212	1,946	6,657	14.6	26.10
1889....	3,415,555	3,421,033	12,552	131,753	1,740	4,476	13.5	26.56
1888....	3,198,137	3,210,656	11,025	125,417	1,696	6,824	13 7	25.75
1887....	3,178,435	3.175,400	8,861	122,912	1,607	10,511	12.9	25.52
1886....	3,080,919	3,080,600	8,803	126,169	1,510	6,619	12.0	24.49
1885....	2,999,060	3,079,000	8,982	125,495	1,487	10,601	11.7	23 61
1884....	2,709,562	2,634,251	10,640	128,601	1,426	8,922	11.1	21.09
1883....	2,856,617	3,028,000	12.776	128,309	1,427	8,566	11.2	22.51

ROYAL ARCANUM.

YEAR.	Mortuary Assessments.	Claims Paid.	Members Admitted in Year.	Members at End of Year.	Deaths Occurring.	Lapses.	Death Rate Per 1000 Members.	Average Cost to Each Member.
1906....	8,934,202	7,704,487	8,393	240,894	3,097	19,758	12.5	36.05
1905....	8,094,566	8,021,413	22,678	254,756	3,225	69,780	11.5	28.94
1904....	7,868,396	8,155,469	35.980	305,083	3,175	10,811	10.8	26.75
1903....	7,505,893	7,320,551	39,581	283,089	2,815	7,999	10.5	27.94
1902....	7,140,665	6,899,869	33,216	254,322	2,546	7,480	10 5	29 43
1901....	6,860,988	6,595,105	31,055	231,132	2,375	7,622	10.8	31.10
1900....	6,604,709	6,277,069	24,086	210,074	2,229	5,651	11.0	32.70
1899....	6,491,620	6,083,452	12,913	193,868	2,094	6,135	10.9	33.90
1898....	5,719,015	5,279,243	9,039	189,184	1,898	13,062	9.9	29.77
1897....	5,405,774	5,210,824	13,299	195,105	1,812	6,643	9.4	28.05
1896....	4,882,548	5,002,674	22,452	190,261	1,731	4,520	9.5	26.80
1895....	4,204,008	4,197,446	20,454	174,060	1,527	4,174	9.2	25.22
1894....	4,190,030	3,959,600	16,975	159,307	1,344	4,750	8.7	27.23
1893....	3,693,916	3,770,750	16,086	148,426	1,296	3,553	9.1	25.87
1892....	3,432,834	3,401.750	17,293	137,189	1,141	3,729	8.7	26.18
1891....	3,129,420	3,096,250	17 089	124,766	1,009	2,680	8.5	26.50
1890....	2,803,060	2,717,302	16,802	111,366	947	2,482	9.0	26.77
1889....	2,158,310	2,146,526	13,357	97,993	750	1,599	8.1	23.33
1888....	2,120.609	2,024,700	10,789	86,935	690	2,335	8.3	25.53
1887....	1,933,033	1,940,500	10,847	79,171	636	1,863	8.5	25.73
1886....	1,543,829	1,512,000	12,010	70,825	522	1,622	7.9	23.43
1885....	1,263,846	1,260,500	9,217	60,957	430	1,641	7.5	22 02
1884....	1,053,103	1,042,500	7,973	53,811	380	1,526	7.5	20.73
1883....	879,911	906,000	9,126	47,744	303	1,113	6.9	20.05

KNIGHTS OF THE MACCABEES OF THE WORLD.

YEAR.	Mortuary Assessments.	Claims Paid.	Members Admitted in Year.	Members at End of Year.	Deaths Occurring.	Lapses.	Death Rate per 1000 Members.	Average Cost to Each Member.
	$	$						$
1906....	4,159,413	2,977,182	20,170	285,823	2,325	30,913	7.9	14.23
1905....	4,266,679	3,106,372	39,141	298,891	2,402	60,224	7.7	13.74
1904....	4,512,184	3,470,966	50,369	322,376	2,265	67,032	6.8	13.60
1903....	4,159,399	3,055,454	88,505	341,304	2,108	30,657	6.7	13.27
1902....	3,598,146	2,609,006	70,780	285,564	1,723	23,792	6 6	13.68
1901 ..	2,960,439	2,175,168	56,787	240,299	1,492	18,828	6.7	13.33
1900....	2,543,441	1,950,538	51,285	203,832	1,250	16,692	6.2	12.69
1899....	2,082,080	1,701,019	54,293	197,132	1,088	18,325	6.0	11.59
1898....	1,751,688	1,270,353	40,690	162,252	788	16,313	5 2	11.64
1897....	1,415,738	1,135,338	35,952	138,663	696	15,360	5 4	11.00
1896....	1,256,897	992,875	32,046	118,767	568	14,580	5.1	11.93
1895....	1,021,254	817,070	37,895	101,869	494	12,152	5.5	11.45
1894....	799,684	694,795	29,661	76,620	376	9,134	5 8	12.33
1893....	641,334	502,933	21,956	53.222	318	6,693	7.0	14.03
1892....	367,458	313,846	17,942	38,277	187	2,654	6.1	11.95
1891....	266,043	246,306	6,405	23,176	133	....	6.6	13.27
1890...	214,035	175,300	3.808	16,904	92	508	6.0	13.99
1889....	130,200	134,000	4,525	13,696	69	531	5.9	11.11
1888....	84,783	77,200	4,433	9,771	37	561	4.7	10.80
1887....	46,837	43,000	2,456	5,936	23	287	4.7	9.64
1886...	34,408	34,100	1,992	3,790	17	312	5.7	11.62

from year to year. Their idea of life insurance at cost was that a man entering at age 35 could pay a rate equal to their assumptions of the cost at that age and continue at that rate year after year. By following out this beautifully illusive theory the orders now find that the old men among their members are now paying sums for their insurance which is far below the actual cost, while the difference has to be made up by the younger members, who are thus penalized for their youth.

Although the fraternals have been confronted with this condition of affairs for many years they are still slow to learn its lessons, and while many of the managers have seen the necessity of establishing themselves on a strictly scientific basis, the number that has done so is relatively very small. Signs of decay have been apparent in a number of the orders, even the very largest, for more than a decade, but only temporary methods of relief have been applied. The first scheme tried is generally that of increased assessments, not in the amount but in the number. The death claims payable being less than one assessment call will produce, the call has gone forth for two or three assessments at once. Should the claims in a subsequent month be smaller then a less number of assessments is called, and the members are persuaded that the extra calls were caused by an abnormal death rate. This plea does not last long, however, and soon the extra assessments be-

TABLE II.—*Continued.*

ANCIENT ORDER OF UNITED WORKMEN.

YEAR.	Income.			Expenditures.			Insurance Account.			Average Mortuary Cost per Member.
	Fees and Dues.	Assessments.	Total Income.	Losses Paid.	Expenses.	Total Disbursements.	Certificates in Force.	Average No. of Risks Exposed.	Death Rate per 1000 Risks.	
1905	$626,603	$8,161,951	$8,880,045	$7,753,616	$680,777	$8,439,557	299,823	311,608	14.59	$26.19
1904	780,405	8,474,015	9,255,831	8,305,595	749,420	9,080,315	323,393	373,204	13 98	25.85
1903	1,046,723	10 273,389	12,494,230	10,046,521	913,919	10,960,440	423,015	437,262	12.94	23.50
1902	993,824	10,170,658	11,164,482	9,860,412	899,541	10,759,953	451,510	439,466	11.84	23.17
1901	929,211	9,816,501	10,745,712	9,473,275	819,262	10,292,537	427,422	422,521	12.00	23.23
1900	895,896	9,079,834	9,975,730	9,030,809	891,087	9,921,896	417,620	404,324	11.52	22.46
1899	774,918	8,308,536	9,083,454	8,335,574	777,994	9,113,568	390 952	375,807	11.36	22.11
1898	705,170	7,705,935	8,501,105	7,770,417	635,261	8,455,677	360,662	354,326	11.32	22.00
1897	663,024	7,920,992	8,584,010	7,761,934	653,493	8,415,427	347,990	343,775	10.86	23.04
1896	631,501	7,598,977	8,230,478	7,479,767	631,892	8,111,659	369,099	362,648	10.52	20.95
1895	562,538	7,336,347	7,898,885	7,313,839	588,948	7,902,787	354,309	349,914	10.48	20.97
1894	527,619	7,117,355	7,644,974	7,116,808	561,592	7,678,400	341,371	336,085	10.43	21.19
1893	527,690	6,423,707	6,951,403	6,479,175	505,748	6,984,923	328,775	320,374	10.11	20.05
1892	476,745	6,080,714	6,557,459	6,015,021	462,515	6,477,535	308,575	292,539	10.19	20.80
1891	416,064	5,325,174	5,741,238	5,307,588	385,851	5,693,439	276,352	264,251	9.72	20.19
1890	373,160	4,744,226	5,117,386	4,762,157	365,674	5,127,831	251,538	241,666	10.32	19 50
1889	343,679	4,181,953	4,525,632	4,149,805	348,988	4,498,793	232,059	229,269	9.00	18.25
1888	309,218	3,966,740	4,275,958	3,985,088	311,301	4,296,389	215,195	206,751	9.64	19.18
1887	284,683	3,455,505	3,740,188	3,453,287	273,817	3,727,104	198,307	187,209	9.22	18.45
1886	271,006	2,956,836	3,227,842	2,942,597	261,409	3,204,366	176,111	166,473	8 82	17.74
1885	221,112	2,580,468	2,801,580	2,556,458	206,938	2,773,396	157,375	150,545	8 52	17.14
1884	196,719	2,193,880	2,390,699	2,180,126	197,286	2,377,412	143,714	137,415	7.93	15.98
1883	183,410	2,032,459	2,215,869	2,031,047	164,078	2,195,125	131,115	......	....	....
Totals	$12,740,924	$145,996,152	$158,828,567	$154,120,918	$12,338,785	$166,464,867	......	......	....	$22 54

Figures for 1906 not obtainable

TABLE III.—ORDERS SHOWING GAIN IN MEMBERSHIP IN 1906.

Name of Order.	Commenced Business.	Certificates in Force Jan. 1, 1906	Certificates Written in 1906.	Certificates in Force Jan. 1, 1907	Gain in Year.
Modern Woodmen of America	1883	713,837	128,434	801,254	87,417
Woodmen of World, Omaha..	1891	274,592	86,885	330,720	56,128
Royal Neighbors of America..	1895	97,347	21,544	115,593	18,246
Ind. Ord. Foresters, Sup. Court	1881	233,293	35,493	246,736	13,443
Brith Abraham, Ind. Ord.,N.Y	1887	87,086	18,109	99,489	12,403
Locomotive Engineers........	1867	116,892	15,003	127,734	10,842
Modern Brotherhood of Amer.	1897	69,260	23,293	79,679	10,419
Brotherhood of Amer. Yeomen	1897	51,939	15,851	61,948	10,009
Knights of Pythias (I. D.).....	1877	74,857	15,121	81,819	6,962
Knights and Ladies of Security	1892	56,083	16,587	63,016	6,933
Knights of Columbus.........	1882	49,475	9,017	56,405	6,930
Knights and Ladies of Honor.	1877	83,088	20,027	89,785	6,697
Woodmen Circle..............	1895	32,842	11,764	39,271	6,429
Woodmen of World, Denver..	1890	96,464	12,773	102,278	5,814
United Comm'l Trav. of Amer.	1888	33,528	7,788	38,807	5,279
Heptasophs, Improved Order.	1878	65,996	10,163	70,904	4,908
Ben Hur, Supreme Tribe.....	1894	88,138	14,963	93,130	4,992
Catholic Order of Foresters...	1883	118,061	10,883	122,691	4,630
Brith Abraham, N. Y. Gd. L.	1859	50,567	9,050	54,995	4,428
Ladies of the Maccabees......	1892	124,113	16,279	128,336	4,223
Society des Artisans..........	1877	26,946	5,976	31,263	4,217
Brotherhood Loco. Firemen...	1873	54,696	12,497	58,847	4,151
Mystic Workers of the World.	1896	35,553	6,856	39,309	3,756
Protected Home Circle........	1886	57,392	12,204	60,771	3,379
New England Order Protection	1887	41,310	5,385	44,633	3,323
Ancient Order of Gleaners....	1894	46,064	6,429	49,320	3,256
Polish National Alliance......	1880	43,385	5,800	46,512	3,127
Royal League................	1883	27,524	5,257	30,450	2,926
Fraternal Union of America...	1896	24,658	6,158	27,344	2,686
Sons and Daughters of Justice	1897	8,214	4,670	10,797	2,583
Fraternal Brotherhood........	1896	26,736	8,640	29,004	2,268
Grand Fraternity............	1885	11,384	3,943	13,341	1,957
Catholic Knights of America..	1879	17,355	2,909	19,243	1,888
Ladies Catholic Benev. Ass'n.	1890	89,943	4,891	91,827	1,884
Equitable Fraternal Union....	1897	16,051	3,887	17,906	1,855
United Order Foresters.......	1893	11,659	4,014	13,384	1,725
American Insurance Union....	1894	11,505	3,884	13,165	1,660
Danish Brotherhood..........	1881	13,984	2,596	15,614	1,630
Mass. Catholic Order Foresters	1879	22,812	2,234	24,439	1,627
Golden Cross, United Order..	1876	18,392	*4,969	20,010	1,618
Royal Highlanders...........	1896	19,951	4,233	21,437	1,486
Ass'n Canado-Americaine.....	1896	6,566	1,708	7,939	1,373
Highland Nobles............	1897	5,111	3,071	6,275	1,164
Loyal Amer. of the Republic..	1896	21,256	2,932	22,199	943
Modern Amer. Fraternal Ord.	1897	7,458	2,402	8,395	937
Brotherhood of America......	1891	20,027	3,595	20,955	928
Women of Woodcraft.........	1897	42,321	3,796	43,211	890
Artisans Ord. of Mut. Protec.	1873	8,995	1,129	9,794	799
United Artisans.............	1894	10,670	2,083	11,453	783
Court of Honor..............	1895	56,522	10,147	57,163	641
Scottish Clans...............	1878	9,387	1,561	10,101	614
Free Sons of Judah..........	1890	8,407	1,799	8,946	539

* Includes reinsurance of Home Circle.

TABLE III.—*Continued.*

TABLE III.—ORDERS SHOWING GAIN IN MEMBERSHIP IN 1906.

Name of Order.	Commenced Business.	Certificates in Force Jan. 1, 1906	Certificates Written in 1906.	Certificates in Force Jan. 1, 1907	Gain in Year.
Cath. Kts. and Ladies of Amer.	1890	9,712	1,451	10,251	539
Fraternal Mystic Circle.......	1884	14,503	3,720	15,021	518
Union Fraternal League......	1889	2,385	1,400	2,868	483
Cath. Relief and Beneficiary..	1890	8,512	872	8,954	442
Ind. Ord. Foresters of Amer..	1893	2,042	575	2,445	403
Fraternal Aid Association.....	1890	28,485	3,979	28,877	392
Sons of Veterans D. B. Ass'n.	1893	7,860	1,558	8,243	383
Bohemian-Slavonian K. and L.	1892	3,052	493	3,409	357
Fraternal Censer............	1895	2,334	928	2,681	347
German Beneficial Ass'n.....	1892	12,586	3,213	12,917	331
Fraternal Tribunes...........	1897	10,758	3,888	11,076	318
A. O. H. Life Ins. Fund......	1885	6,438	632	6,726	288
Woodmen of World, Lon., Ont.	1893	10,438	1,230	10,725	287
Triple Tie Benefit Association	1896	6,593	1,124	6,879	286
Western Catholic Union......	1877	6,692	657	6,950	258
Loyal Association............	1889	7,372	525	7,541	169
Mutual Protective League....	1897	17,076	3,724	17,243	167
Occidental Mutual Benefit....	1896	2,253	418	2,419	166
Sons of Herman, Neb........	1896	1,932	347	2,088	156
Eastern Star Benevolent Fund	1892	1,865	370	2,014	149
Bohemian R. C. Central Union	1889	1,359	271	1,507	148
Low Germ. Gd. Lodge of N. A.	1888	7,080	584	7,225	145
Western Pa. Odd Fellows....	1872	2,002	288	2,141	139
Bohemian Roman Cath. Union	1889	1,006	151	1,130	124
Hermanns Sisters............	1895	1,877	224	1,986	109
Masonic Mutual Relief.......	1866	1,682	350	1,787	105
Amaranth, Order of the......	1891	1,954	315	2,057	103
New Era Association.........	1897	5,577	730	5,674	97
Order of Mutual Protection...	1878	8,410	992	8,485	75
Legion of the Red Cross......	1883	2,582	556	2,634	52
United Aid Association.......	1891	967	129	1,014	47
United Presbyter'n M. B. Ass'n	1897	3,236	143	3,279	43
Order of Sparta..............	1879	4,744	228	4,778	34
Royal Fraternal Union........	1897	5,189	7,413	5,222	33
Royal Benefit Society.........	1897	10,541	6,020	10,569	28
Totals (87 orders)...		3,560,786	700,180	3,918,452	357,666

ORDERS SHOWING LOSS IN MEMBERSHIP IN 1906.

Name of Order.	Commenced Business.	Certificates in Force Jan. 1, 1906	Certificates Written in 1906.	Certificates in Force Jan. 1, 1907	Loss in Year.
Royal Arcanum..............	1877	254,756	8,393	240,894	13,862
Knights of Maccabees........	1883	298,891	20,170	285,823	13,068
Knights of the Mod. Maccabees	1881	116,205	9,364	112,214	3,991
Knights of Honor............	1873	40,126	4,413	37,556	2,570

TABLE III.—*Continued.*

ORDERS SHOWING LOSS IN MEMBERSHIP IN 1906.

NAME OF ORDER.	Commenced Business.	Certificates in Force Jan. 1, 1906	Certificates Written in 1906.	Certificates in Force Jan. 1, 1907	Loss in Year.
Columbian Knights	1895	13,056	1,631	11,657	1,399
Prudent Patricians of Pompeii	1879	8,478	1,004	7,376	1,102
Ladies of the Mod. Maccabees	1890	70,969	4,102	70,188	781
Shield of Honor	1875	10,784	580	10,239	545
Catholic Benevolent Legion	1881	19,971	604	19,466	505
Loyal Mystic Legion	1892	6,291	342	5,816	475
Pilgrim Fathers	1879	19,601	597	19,129	472
Knights of St. John and Malta	1883	2,627	129	2,259	368
Legion of Honor	1879	3,120	123	2,774	346
Amer. Ord. Fraternal Helpers	1892	1,729	24	1,396	333
Sons of Benjamin	1877	20,659	1,533	20,338	321
Loyal Guard	1895	5,235	408	4,919	316
Modern Samaritans	1897	7,650	1,081	7,343	307
Iowa Legion of Honor	1879	3,823	389	3,526	297
Workmens Benefit Ass'n	1893	5,845	164	5,575	270
National Union	1881	61,019	5,888	60,790	229
Catholic Mutual Benefit Ass'n	1876	57,638	2,303	57,415	223
Jewelers League of New York	1877	1,826	38	1,630	196
International Congress	1896	1,369	21	1,195	174
Capitol Life Association	1894	4,453	734	4,302	151
Catholic Knights of Ohio	1891	7,089	369	6,942	147
Union Life Guards	1897	2,163	129	2,096	67
Hermanns Sons, Wisconsin	1869	1,781	104	1,734	47
Catholic Womens Ben. Legion	1895	17,075	650	17,037	38
Christian Burden Bearers	1885	2,061	51	2,052	9
Totals (29 orders)		1,066,290	65,338	1,023,681	42,609
Grand totals (116 orders)		4,627,076	765,518	4,942,133	*315,057

* Net gain.

come a regular feature. Then the members begin to make inquiries, and finding that they can get their insurance protection at a lower cost in another order, if in good health, they desert the old concern in large numbers. In this way there is an adverse selection against the order, as the members who remain are those who, through age or infirmities, cannot obtain insurance elsewhere, and hang on in the hope that the order will at least last out their time. Many of these also are obliged to drop out, owing to their inability to pay the rapidly increasing assessments—the increase naturally being greater with a reduced membership and advanced average age—until eventually the order finds itself with insufficient funds to meet the accumulated death claims and a receiver steps in. In some cases the managers have been enabled to obtain the consent of their members to a general increase in the rates of assessment, or better still, have put through a plan for a fixed assessment each month, regardless of whether or not the death claims to be paid are as great as the amount the monthly call will produce. These plans might in many cases serve to maintain the order intact if they went far enough, but, unfortunately, the indignation of the bulk of the members over an increase in rate has to be appeased, and consequently compromise becomes the order of the day and an insufficient increase is made. For a time the increase seems to serve its purpose, and while many members drop out, including generally the most desirable risks, the order goes swimmingly along, pointing proudly to the fact that it is accumulating an emergency fund, which can be called upon only when the assessments received are insufficient to meet the accrued death claims. There are quite a large number of orders now operating after some such system as this, and in every case the handwriting is plain that it can only be a temporary expedient. Sooner or later the death claims will catch up with the assessments, the emergency fund will cease to have any accretions, and finally will have to be drawn upon to meet claims. Then the old discussion will break out again, further increases will have to be made in the monthly calls, which, when enforced, will cause such wholesale desertions as to wreck the order.

The fraternal orders in the United States are very numerous, particularly in the Western States, and many of them have attained large proportions. Their growth has been due mainly to a lack on the part of legislative bodies of courage to insist upon their being brought under proper supervision. It is a singular fact that for more than fifty years the life insurance companies whose foundations have been laid broad and deep on a scientific basis have been subject to supervision in some cases almost tyrannical, while the fraternal orders operating on plans inherently wrong have been allowed to go on year after year with only the most cursory system of supervision, and that applied merely to their financial statements. In other words the legislatures have said to the public: the life insurance companies which accumulate reserves, in order that every claim may ultimately be paid, must measure up to the most rigid standard of measurement as to their solvency and management, but the fraternal orders can go along as they please, offering all sorts of promises impossible of fulfilment, and you must take your own chances of their existing long enough to pay your claims. For years the fraternalists have wielded the club of loss of votes over the heads of legislators, which, coupled with the ignorance of the

TABLE IV.—DEATH RATE IN FRATERNAL ORDERS PER 1000 MEAN CERTIFICATES IN FORCE 1887–1906.

NAME AND LOCATION.	Date of Organization.	1887.	1888.	1889.	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.	1900.	1901.	1902.	1903.	1904.	1905.	1906. Mean Number of Certificates in Force.	1906. Number of Deaths.	1906. Ratio.
A.O.U.W., Supreme Lodge, Meadville, Pa.	1869	9.2	9.6	9.0	10.3	9.7	10.2	10.1	10.4	10.5	10.5	10.8	11.3	11.3	11.5	12.0	11.8	12.9	12.9	14.6	......	...	....
Catholic Benevolent Legion, Brooklyn, N.Y	1881	9.4	10.6	11.4	12.7	13.3	13.6	13.5	11.3	15.1	13.9	11.9	13.9	15.2	16.7	17.6	18.0	18.7	19.7	24.9	19,719	480	24.3
Catholic Knights of America, St. Louis, Mo.	1877	13.1	15.3	11.8	14.1	13.7	14.4	15.6	11.8	13.2	14.9	14.1	17.8	18.5	18.2	19.8	19.6	20.4	23.3	25.3	18,299	414	22.6
Catholic Mut. Benefit, Hornellsville, N. Y.	1879	7.4	8.8	8.8	10.0	10.5	10.2	8.2	10.6	10.0	10.2	10.1	9.3	10.7	10.7	11.8	11.2	12.4	13 8	14.1	57,577	803	14.0
Catholic Order of Foresters, Chicago, Ill.	1883	....	....	....	....	....	....	....	....	7.6	7.2	6.8	7.0	7.7	7.3	7.1	7.0	7.6	8.3	8.1	120,376	1,022	8.5
Foresters, Independent Order, Toronto	1881	....	....	....	....	6.4	5.6	5.8	5.2	5.8	5.5	5.6	5.8	6.1	6.4	7.2	6.7	6.6	7.2	7.0	240,015	1,860	7.4
Fraternal Mystic Circle, Philadelphia, Pa.	1885	....	....	1.8	4.8	5.0	5.4	4.8	7.2	6.2	6.5	7.1	8.0	8.9	8.8	8.2	12.4	11.2	10.2	9.5	14,762	154	10.4
Free Sons of Israel, New York	1871	....	....	....	....	12.3	12.8	14.7	14.2	15.5	16.0	20.7	16.5	19.3	17.8	18.3	18.3	21.5	19.8	22.7	10,893	241	22.1
Golden Cross, United Order, Knoxville	1876	....	11.3	10.3	10.1	11.2	11.7	10.8	12.2	9.7	10.2	9.7	11.7	11.7	13.3	15.0	14.0	15.2	15.0	16.4	19,201	353	18.4
Heptasophs, Improved Order, Baltimore	1878	....	....	....	....	....	8.6	6.9	8.0	8.2	8.5	8.3	9.4	8.5	11.1	12.1	10.5	10.9	11.7	11.7	68,450	812	11.9
Iowa Legion of Honor, Cedar Rapids, Ia.	1879	....	....	....	....	....	....	8.5	7.3	8.9	9.4	10.8	10.7	11.7	14.4	18.0	16.0	19.0	22.2	20.4	3,675	79	21.0
Jewelers League, New York	1877	8.7	9.0	6.9	9.1	10.9	11.4	10.9	14.5	9.3	10.3	16.1	11.3	12.7	20.1	33.4	16.8	17.2	21.4	20.8	1,728	44	25.5
Knights and Ladies of Honor, Indianapolis	1877	....	....	....	....	13.1	12.7	13.2	12.0	13.3	14.4	13.9	15.0	17.7	19.0	19.0	17.3	14.9	16.7	15.2	86,437	1,310	17.4
Knights of Columbus, New Haven, Conn.	1882	....	....	....	....	....	....	9.9	12.5	8.5	6.2	6.1	7.8	7.1	6.2	7.7	7.4	6 3	6.8	7.2	52,940	363	6.9
Knights of Honor, St. Louis, Mo.	1887	12.9	13.7	13.5	14.6	15.5	15.8	16.5	16.4	17.6	20.2	24.0	21.9	28.4	28.1	29.4	29.9	31.7	33.3	34.9	38,841	1,458	37.5
Knights of Pythias (I. D.), Chicago	1877	13.6	14.7	12.1	12.3	14.5	13.0	12.0	11.4	11.5	10.9	11.0	10 5	10.8	11.5	11.7	12.1	11.6	12.4	11.1	78,888	902	11.5
Knights of St. John and Malta, New York	1883	....	....	....	4.0	7.9	7.9	9.2	7.9	11.8	6.8	14.3	9.6	9.1	15.0	19.1	12.5	15.0	11.9	15.1	3,665	40	16.4
Knights of the Maccabees of the World, Port Huron	1883	4.7	4.7	5.9	6.0	6.6	6.1	7.0	5.8	5.5	5 1	5.4	5.2	6.0	6.2	6.7	6.6	6.7	6.5	7.7	292,357	2,325	7.9
Knights of Modern Maccabees, Port Huron	1881	....	....	....	....	....	....	7.9	5.2	4.5	5.6	5.5	5.4	5.7	6.2	7.2	6.2	6.1	6.8	7.3	114,209	857	7.5
Modern Woodmen of America, Rock Island	1883	3.1	4.5	3.7	5.2	6.0	5.3	5.6	5.2	5.1	4.8	4.4	4.5	5.0	4.7	4.9	4.9	5.1	5.6	5.5	757,546	4,222	5.6
National Provident Union, Brooklyn, N.Y.	1883	8.3	7.0	8.3	11.2	12.3	11.8	13.8	9.2	11.2	15.6	15.4	12.3	17.0	21.0	19.2	21.8	13.3	14.7	12.0	4,027	491	16.4
National Union, Toledo, O.	1881	....	....	....	....	....	....	7.8	7 6	8.2	8.7	7.9	8.8	9.4	9.9	9.7	10.0	10.5	11.9	12.1	60,905	773	12.7
New England Order of Protection, Boston	1887	....	....	6.5	6.2	6.1	6.6	6.4	7.5	6.9	8.5	7.2	7.7	8.4	8.6	8.9	8.9	8.9	9.4	8.9	42,972	438	9.8
Order of Mutual Protection, Chicago, Ill.	1878	....	....	....	....	....	....	12.3	9.9	11.1	8.8	9.9	12.3	9.1	9.7	11.5	11.1	9.7	10.5	10.3	8,448	90	10.7
Pilgrim Fathers, Lawrence, Mass.	1879	7.8	7.2	7.2	8.4	8.3	8.9	10.0	8.5	9.3	9.9	9.7	10.1	11.5	11.8	12.3	13.7	13.0	14.1	15.0	19,365	305	15.0
Protected Home Circle, Sharon, Pa.	1886	....	....	....	....	....	....	7.0	5.0	6.0	6.5	6.0	7.0	6.6	6.9	7.5	7.0	7.6	8.3	7.9	59,581	554	9.4
Royal Arcanum, Boston, Mass.	1877	8.5	8.3	8.1	9.0	8.5	8.7	9.1	8.7	9.2	9.5	9.4	9.9	10.9	11.0	10.8	10.5	10.5	10.8	11.5	247,825	3,097	12.5
Royal League, Chicago, Ill.	1883	....	....	....	....	....	....	5.9	4.6	6.2	5.8	6.8	7.1	5.7	6.3	9.0	9.7	10.1	7.6	7.0	28,987	230	7.9
Scottish Clans, Boston, Mass.	1881	....	....	....	7.7	12.0	12.8	13.8	11.3	8.2	8.6	9.1	9.5	9.8	7.5	9.9	8.7	8.9	10.0	9.7	9,794	108	11.1
Western Catholic Union, Quincy, Ill.	1877	....	....	....	....	....	....	11.2	10.9	9.8	4.9	8.4	8.3	5.8	9.4	11.1	8.6	7.0	10.9	9.8	6,821	69	10.1

TABLE V.—ANNUAL COST PER $1000 AND AVERAGE AGE OF MEMBERS.

ORDERS.	No. of Assessments Called.	20	25	30	35	40	45	50	55	Average Age.
American Benefit Society	12	7.20	7.80	8.40	9.00	11.40	15.60	30.00	......	40.2
American Insurance Union*	12	7.20	7.68	8.28	9.00	10.20	12.24	15.84	‡21.60	37.8
Brotherhood of American Yeomen	12	7.20	7.20	7.80	8.40	9.60	10.80	13.20	......	40.0
Catholic Benevolent Legion	26	14.04	16.12	18.72	21.84	26.00	31.46	38.48	46.02	45.5
Catholic Knights of America	12	11.76	13.56	15.72	18.60	22.32	27.24	33.84	42.74	45.3
Catholic Mutual Benefit Association	12	11.64	12.96	15.60	18.96	23.40	29.28	......	......	40.4
Court of Honor	12	7.20	7.20	9.72	11.64	14.04	17.40	23.40	......	39.0
Equitable Fraternal Union	10	7.00	7.00	8.40	8.40	10.00	12.00	†12.00	......	37.0
Foresters, Independent Order of	12	9.60	11.28	13.68	16.56	20.16	24.96	34.80	46.80	37.6
Fraternal Aid Association	12	10.20	10.20	10.80	11.40	12.00	13.80	28.80	......	40.8
Fraternal Mystic Circle	12	11.16	12.48	14.64	17.40	21.12	25.92	32.52	41.28	40.1
Improved Order of Heptasophs	12	8.04	9.12	10.92	13.20	16.20	20.28	†24.48	......	39.6
Iowa Legion of Honor	12	6.00	7.80	8.40	9.60	10.80	12.60	18.00	......	52.0
Knights of Columbus	12	8.88	9.60	10.20	10.80	11.88	13.68	16 92	22.20	35.6
Knights of Honor*	12	10.80	12.60	13.80	16.56	18.00	21.60	27.60	... ..	51.
Knights and Ladies of Honor	12	9.48	10.68	11.88	13.08	15.24	18.84	24.36	......	42.1.
Knights of the Maccabees of the World	12	10.80	12.60	14.40	17.40	21.00	26.40	33.00	......	38.1
Knights of Pythias	12	10.80	12.60	15.00	17.40	21.00	25.80	32.40	......	41.9
Ladies Catholic Benevolent Association	12	7.80	8.88	10.08	11.28	14.40	18.00	†21.12	......	36.7
Modern Brotherhood of America	12	5.40	5.40	6.00	6.00	6.60	7.20	......	......	37.9
National Union*	12	6.00	7.20	8.40	9.60	10.80	13.20	16.20	¶24.00	43.7
New England Order of Protection	24	7.20	8.40	9.60	10.80	12.00	13.20	18.00	......	41.
Pilgrim Fathers	12	12.00	14.40	15.60	18.60	22.80	27.60	......	......	47.6
Protected Home Circle	12	8.40	10.24	12.00	15.00	18.60	24.00	31.20	......	37.9
Royal Arcanum	12	7.56	8.04	8.64	9.96	12.12	15.12	18.60	§22.68	42.
Royal Highlanders	12	6.00	6.00	8.40	9.60	12.00	14.40	......	......	35.2
Royal League	12	9.36	10.08	11.04	12.60	15.36	20.04	27.24	......	38.
United Order of the Golden Cross	12	9.72	10.56	11.16	11.88	13.08	15.00	18.60	a24.48	45.0
Woodmen of the World, Omaha	12	9.60	9.60	12.00	13.20	15.00	17.40	26.40	......	36.1
Woodmen of the World (Pacific Jurisdiction)	12	8.40	9.00	10.20	11.40	13.80	16.80	19.80	......	37.9

* Rate increases each year. † Age 49. ‡ Rate at age 60, $30. § Age 60, $27.48; age 65, $64.32. ‖ Age 44. ¶ Age 60, $36; age 65, $48. a Age 60, $33.24; age 65, $46.56; age 70, $72

average legislator regarding insurance matters generally, has enabled them to head off remedial legislation. To the credit of the country be it said that that day is rapidly passing. Urged thereto by the recommendations of the supervising insurance officials a number of States are now taking up the subject, and it is to be hoped that the day is not far distant when the fraternal orders will be compelled to make adequate provision for the safe carrying out of all the life insurance contracts they may enter into.

A period of rate readjustment is always attended with a loss in membership. and during 1906 several orders were obliged to report a decline in outstanding certificates. The most conspicuous example was the oldest fraternal order of the country, known as the Ancient Order of United Workmen. For several years this concern has endeavored to so adjust its rates as to meet its death claims with more promptness, but has been hampered in its work by the unwillingness of certain State jurisdictions to enforce the increase on their members. The climax was reached last year when some jurisdictions withdrew their allegiance from the supreme body and others were forced into the hands of a receiver. It is impossible to tell just what the decline in membership amounted to last year, as the order has practically withdrawn from those States where it had been in the habit of reporting its total business, but that it was very large there can be no question. Another prominent order, the Royal Arcanum. which adopted increased rates in 1905, reported a further loss in membership in 1906, and is still losing ground, while the inefficiency of the increase to prevent trouble is already showing itself.

In the series of tables herewith presented the statistics of the principal fraternals of the United States are presented for the year 1906, and even a cursory analysis will demonstrate that the dilemma of the fraternals is indeed a serious one. Table I. shows the principal items of the statements of thirty-six of the leading fraternal orders of the country, each of which is at least ten years old and has more than 5000 certificates in force. In preparing the table for the present edition the revised blank of the Insurance Departments has been followed so as to show not only the mortuary receipts and disbursements, but also the total payments by and to the members. The orders are further required to show admitted assets and total liabilities, the differences between these two items making up the surplus funds, the first two items being shown in the table. The totals show that the new members admitted numbered 524,515, while the net gain in membership was 216,872, or forty per cent of the new entrants. The number of deaths was 29,781 and the lapses were 265,164. Had it been possible to give the figures of the Ancient Order of United Workmen these figures would have been materially changed for the worse. The total membership at the close of the year was 3,534,182, representing $4,796,132,414.

With nearly five million dollars of benefits to pay, these orders have in hand surplus assets of but $45,952,927, or less than one-tenth of the benefits promised, and more than one-half of that sum is held by four orders. The death rate for the year was 8.69 per thousand members, while the average cost per $1000 based on the mortuary assessments paid in 1906 was $10.94.

Table II. presents statistics for a series of years of four leading orders by which may be traced the inevitable tendency to increased cost and consequent loss in membership. One order has been steadily declining during the past sixteen years and now has but a little over one-fourth of its one-time membership, while the next two have apparently reached their limit of growth and are finding it increasingly hard to keep down the cost to their members. In the case of the first order referred to, it has not sufficient funds in hand to meet its current liabilities, making it appear that it would be better for the members if it were at once wound up.

The third table deals with the growth or decline of 116 orders in membership during 1906, and is a striking indication of the hold fraternal insurance has upon millions of inhabitants of the United States. The orders included in the list are all over ten years of age, the smallest having more than 1000 certificates in force. From the totals we learn that they admitted during 1906, 765,518 new members, while at the close of the year their membership was nearly five millions. Gains amounting to 357,666 were shown by eighty-seven orders, while twenty-nine others showed a loss of 42,609, so that the net gain was 315,057. Eight orders show gains in excess of 10,000 each, while two lost more than that number. The millions of persons insured by these certificates assuredly deserve to have their interests well conserved by the powers that be.

From a study of Table IV. may readily be seen that the fraternal system involves a steadily increasing death rate. Particulars are here shown of a large number of orders covering their death rate for a period of twenty years, from 1887 to 1906, inclusive. Six of them show a rate exceeding twenty per thousand, and four more are above fifteen per thousand. The figures for 1906 are presented in detail, thereby affording a guide to the relative size of the several orders listed as well as the figures upon which the percentages are based.

Summing up it may be said that the condition of many of the orders is most precarious, even magnitude of operations being unavailing to keep down the mortality rate, and as was said in the earlier part of this article the various State officials should take hold of this matter

with a firm determination to bring order out of chaos. That chaos indeed reigns is exemplified by Table V., which shows the varying rates of assessments made for the same benefits and points to the root of the whole trouble, viz.: insufficient rates. The millions upon millions of dollars distributed by these orders in the past have accomplished a vast amount of good, but that good will be little consolation to the millions now insured, if the orders do not meet their claims whenever they fall due.

NATIONAL ASSOCIATION OF LIFE UNDERWRITERS.

The Annual Meeting Being Held at Toronto—Large Attendance—Canadian Life Underwriters Association Meeting Precedes it—Various Company Agency Associations also in Session.

[SPECIAL REPORT FOR THE SPECTATOR.]

Apparently the largest single gathering of life insurance men ever brought together is now in Toronto attending the annual session of the National Association of Life Underwriters. Toronto has been crowded with agents attending the sessions of the Canadian Life Underwriters Association, many of whom will stay over for the larger body, while the register of arriving delegates and guests is already running into many pages. The meeting of the executive committee of the National Association Tuesday afternoon was well attended, many of the active workers of past years being on hand. The past presidents of the association were well represented by Messrs. Scovel, Dolph, Wyman, Cochran and Register, and there was in addition a full attendance of the present officers. The session was a lengthy one, many important topics being discussed. A revision of the constitution is under consideration, a committee having been appointed for that purpose at the midyear meeting. An attempt was made to introduce a resolution limiting the membership in local associations so as to exclude companies operating along certain lines, but was ruled out of order, though a further effort in that direction will be made on the floor of the convention. Considerable discussion ensued on a motion to commit the National Association in opposition to certain of the Armstrong laws, it being argued that, until the laws had been fully tried out by a year of work, there was nothing tangible upon which to oppose them. The report of the executive committee will refer to the establishment of The Association News, the death of ex-President Philip H. Farley and the difficulties under which the agents at present labor. No strong backing has yet developed for any presidential candidate, and there is great uncertainty as to the successor of Frank E. McMullen. Delegates from Los Angeles are busily working for that city as the next meeting place, but it is feared that it is too far off to insure a satisfactory attendance. A most attractive programme of entertainment has been prepared for the times between sessions, and it is probable that all will go home satisfied with the hospitality of Toronto. The sessions of the Canadian Life Underwriters Association have been full of interest, many instructive papers have been read and warmly received. C. W. Pickell of Detroit received an ovation at the close of his address on "The Magic Key," and Insurance Commissioner Barry of Michigan won hearty commendation also. The rebate question troubles the Canadian agents greatly, as the investigation by the Royal Commission seems to have acquainted everybody with the fact that a rebate might be granted if it was asked for. While many of the commission's recommendations are vigorously opposed, a strong effort will be made to enact a stringent anti-rebate law. The Canadian Association wound up its sessions by a banquet Tuesday night, at which many brilliant speeches were made. The officers elected are: L. G. McConkey, honorary president; H. C. Cox, president; J. R. Reid, C. P. McQueen and E. B. Machum, vice-presidents; W. S. Milne, secretary; F. H. Heath, treasurer, and G. H. Simpson, chairman of the executive committee.

EXTRACTS FROM PRESIDENT McMULLEN'S ADDRESS.

For twenty-three years our movement was confined to the United States; until last year our association was national. Then our brothers on this side of the imaginary line joined with us, and we became international in fact, if not in name. We are banded together in a common cause, the purpose of which is to make the life insurance business the most honorable and equitable in the world. * * * The association year just past has not been without its shadows, for death has claimed two of our prominent members, ex-President Philip H. Farley of New York, and Frank Wooley of Wilmington, Del. Mr. Farley was for many years actively identified with our association movement, serving as president of the New York Association in 1900 and as president of the National Association in 1902-03. His genial and kindly nature endeared him to all, and by his death we have lost a staunch friend and an ardent supporter. Mr. Wooley helped organize the Delaware Association, was its first president and a regular attendant at the meeting of our executive committee, of which he was a member. To the relatives and friends of these departed ones we extend our heartfelt sympathy. * * *

During the past months, through the columns of our paper and by personal effort, we have endeavored to carry out our pledge to President Roosevelt and our fellow members of the Chicago conference to assist in every legitimate way to bring about the passage of sane, uniform legislation in the several States. Our efforts have been particularly aimed at securing legislation to prohibit advisory board and agency stock schemes, the more modern but not less pernicious forms of rebating, which have grown so rapidly in many States during the past few years. * * *

The National Association is not now, and has never been, in favor of high commissions and bonuses, or of the rebating and twisting fostered by them. On the contrary, its history is resplendent with protests against such practices. From 1892 to the present time our organization has steadfastly opposed the payment by companies of the high commissions and bonuses that were meant to encourage rebating and pile up a large volume of "business" that was not business at all, being based on first year premiums, the greater part of which was never paid by the insured. In 1895 President Plummer, by his untiring effort and zeal, accomplished what was thought to be the impossible, in his campaign among the home offices, which resulted in the signing by the presidents of practically all of the old line companies of an anti-rebate agreement. That agreement provided that all charges of suspected rebate should be referred to Speaker Thomas B. Reed, as referee, and the accused, if found guilty, dismissed from the service of his company and not employed by any company party to the agreement for a period of at least one year. In a very short time the hoped for good effects of this agreement vanished, and the mad race for volume at any cost was again resumed. * * *

I repeat, we are and have always been opposed to high commissions and in favor of moderate first year commissions and liberal renewals. But we must oppose the present extreme reductions in compensation, not merely because they cut it too low for present agents, but because they leave no provision of the cost of developing new agents. Long experience has demonstrated that the general agency system of developing agents, in vogue among nearly all of the companies, is the most effective and economical. The present general agency contracts provide little or no margin either in first year or renewal commissions to compensate the general agent for the time and money necessary to develop new agents, and therefore is economically unsound. The agency force in this country has been depleted fully thirty per cent and the recruiting stations are dormant. * * *

There are a few men in our business who would continue regardless of the rate of compensation, because they love the work; they are imbued with that beautiful missionary spirit, which sometimes impels men to leave their relatives and friends to spread the gospel in an unfriendly heathen land. That is all very nice, but most of us are in the business because it did, at one time, afford an opportunity whereby honest men could make a living and, if thrifty, acquire a competency for old age. Not so now! The New York Law practically says to the agent, "All ye who enter here, leave hope for future behind." If your ambition for yourself and family does not extend beyond a bare current living, you may be content. If, on the other hand, you have a family to educate and provide for; if you wish to be a factor in your community and acquire a competency for old age, you have no right to be content. Nor as a citizen having special knowledge of this subject, have you any right to withhold your constant and earnest protest against laws that will most of all injure the great host of dependent ones not now protected by insurance. Any law that forbids the healthy legitimate growth of a business of such vital importance to all of our people as life insurance, is contrary to public policy and opposed to the development of a higher social condition for which the world is striving. Section 97 of the New York Law is a menace to the future of life insurance, because it has robbed the business of its future for the great body of honorable agents, who, by their courage and faith, created this world-wide beneficent business. Therefore, gentlemen, it is my judgment that we should take definite and aggressive steps to bring about the speedy modification of that unjust section, and also to prevent, in so far as possible, the passage of similar unwise measures in Canada and elsewhere.

FOOLING THE PUBLIC—THE PENALTY.

E. E. Rittenhouse, Insurance Commissioner for Colorado, made a lengthy address on the above subject, in the course of which he said:

A year ago life insurance men generally were seriously alarmed at the danger which seemed to threaten in the then approaching session of about forty legislatures in the United States.

To-day these two score lawmaking bodies have met and adjourned and, if I am correctly informed, radical insurance legislation was enacted in but two of them. The refusal of thirty-eight out of forty States to follow the lead of New York, or to be swayed by the yellow press, offers the best of proof that the tendency of our people is toward sane and reasonable insurance regulation. New laws were needed to correct certain evils, but heroic methods should only be applied when ordinary methods fail. Instead of spreading to other States, I believe the harsh and oppressive features of the laws passed in the radical States will be either modified or repealed in the near future. * * *

We cannot fool the public in insurance without paying the penalty. The cost of State supervision and the loss of public confidence are two of the penalties we are now paying for this offense. If our insurance laws and State supervision have proved annoying and burdensome to insurance officials and to policyholders, it must be remembered that they were made necessary and called into existence by insurance men who did wrong, although, as usual, the burden falls with equal severity upon those who did right.

From data gathered from the different departments I find that the cash penalty paid through Insurance Departments in the United States last year in fees and special taxes was, in round figures, $12,000,000.

That portion of this enormous annual penalty which exceeds the cost of operating the Insurance Departments is, to my notion, uncalled for and unjust. It discriminates against those who are trying to save and

provide for the future of their dependents by making them pay double taxes.

But the people themselves have levied these double taxes and seem to be satisfied with them.

UNFAIR INDUCEMENTS.

Among the present-day schemes to fool the public which have attracted more than usual atteution during the past two or three years are the special contract aud agency stock plans.

Owing to the initiative taken by life underwriters in securing in many States the adoption of the anti-rebate law several years ago, and largely to the activity and influence of the members of your organization in recent years, the special or advisory board contract has been prohibited in nearly all the States. This plan embodied the twin evils of rebating and unjust discrimination. These evils were so adroitly concealed that it took several years for our lawgivers and Commissioners to discover and actively oppose them. The companies that have used these inducements find that they become a very heavy financial burden in a very few years. It caunot be said that danger from these sources is entirely eliminated, for certain companies have included a special contract provision in some of their policies. Such of these contracts as have come to my attention still contain the element of unjust discrimination. While you are to be congratulated upon the splendid fight you have made against this scheme to fool the public, the tail of the snake is still wriggling and needs watching. * * *

LOSS OF PUBLIC CONFIDENCE.

The most serious penalty for fooling the public is found in the great army of the uninsured who have been driven or frightened away from the insurance fold by the sensational press and by the deceit and misrepresentatiou practiced by the unfair element among insurance men. It is true that sensational writers aud speakers have magnified the wrongs committed by insurance men and by insurance companies, and spread abroad misstatements which have brought much condemnation upon the just which was merited only by the unjust, but we cannot get away from the fact that most of the difficulties encountered in soliciting to-day are due to the wrongs committed by those who thought they could fool the public without paying the penalty. The oppressive laws of which you complain are directly due to the work of these wrong-headed insurance men.

It has not been so many years since the practice of deception and misrepresentation in procuring life insurance was, in varying degrees, well-nigh universal in the United States. And what is worse, this method of securing business was sanctioned and encouraged by some of the largest and best known companies on the continent. I shall not attempt to list the various forms in which the deception was practiced. It included official announcements of estimates or promises of profit that were known to be utterly impossible of fulfillment, and of other forms of false pretense. * * *

THE ARMY OF THE UNINSURED

The most impressive and unfortunate result of this wanton sacrifice of the confidence of so many people in life insurance is not found in the ill will of those who have already taken out policies, but in the existence of the great army of the uninsured. The most difficult problem before the life underwriter to-day is how to win over the people who by misstatements or mistreatment have become prejudiced or embittered against insurance and insurance meu.

Of course, it is impossible to accurately estimate the number of uninsured white males with an insurable interest in Canada and the United States, but my actuarial friends who have figured on it place the number at at least 6,000,000, and some think it is still greater. Selfishness accouuts for a part of this number, but a very large portion of these people are without life insurance because of the prejudice and antagonism to which I have referred.

The great majority of life insurance men refuse to sanction or wink at schemes to fool the public. They oppose such methods, and by dealing squarely and uprightly with the public they are doing much to win its good will. There are, however, many men in the life insurance business, and they are found from the president down to the solicitor who still believe that insurance is such a good thing that deception is justified in placing it. The respect, loyalty and persistency of the policyholder is nothing to them—all they want is busiuess. * * *

AN AGENTS' CODE.

I believe that every State should have a code governing agents and solicitors, based upon the principle that one who will deceive or rob his general agent or his company will deceive or rob the public. Such a code should afford the same protection to the insurance company and its employees that it affords the public, because by protecting insurance companies from those who prey upon them, we are protecting the public.

Among other things, such a code should provide that only agents, solicitors and brokers of good character and reputation should be permitted to carry the certificate of the State, that the Insurance Commissioner may revoke such licenses for violation of the insurance laws; for deceiving or defrauding any person iu procuring insurance, and for retaining for an unreasonable length of time the money of any general agent or company without their consent, such revocation to be published in the newspapers. It should provide that when a license is applied for for a person who already holds a license of another company that both companies be notified of the facts; that any agent who accepts business from and compensates unlicensed solicitors and brokers should have his license suspended or revoked; that solicitors, agents or physicians who combine to defraud a company should have a specific and heavy criminal penalty hanging over them; that any agent, solicitor or broker who embezzles, appropriates or otherwise uses the funds of a general agent or company, contrary to instruction, should be guilty of larceny and not of simple breach of trust, as is the case in many States at the present time, and that a specific and severe criminal penalty be provided for agents, solicitors or brokers guilty of deception and misrepresentation in soliciting life insurance. Colorado has these and many other good features in its new law relating to agents, and, with all due modesty, I must say I believe it is the most complete and effective agents' code in existence to-day. * * *

HELP LEGISLATE.

Why not help legislate?

The sending of delegations to address legislative committees and other bodies to influence legislation and public opinion is an excellent plan and should be continued, but that which will do infinitely more good will be to place in every local legislature on the continent at least one able, clear-headed life insurance man.

The best place to have a lobbyist is on the floor, elected by the people. I speak from experience when I say that the views of such men from this vantage ground will command more respect and influence than they possibly could from the lobby. * * *

Why can you not make it one of the definite purposes of your organization to place men like these in the various lawmaking bodies? It would be well to have a candidate in each party so that, whichever party wins, the lawmakers will have the benefit of the judgment and experience of a life insurance man in considering life insurance legislation. * * *

You may tell the political leaders, or bosses, if you please, that you are asking nothing extraordinary or unusual when you demand representation in the lawmaking bodies. It is customary to find in such assemblies, merchants, bankers, farmers, railroad men, lawyers and other business and professional men; in fact, all forms and lines of human effort are represented; then why not have insurance men there?

You come in contact with the people; you are in touch with public sentiment. You are, if you will but use your advantages, in a position to take a prominent part in shaping public sentiment. It is your duty to join these lawmaking bodies to represent your constituents, and see that these people whom you have induced to take life insurance are properly protected.

The purpose of this organization is to uplift the moral and intellectual standard of the life underwriters of this continent and to in every way improve the conditions under which life underwriters conduct their business. * * *

ADDRESSES BEFORE THE CANADIAN LIFE UNDERWRITERS ASSOCIATION.

A number of entertaining addresses were made at the several sessions of the Canadian Life Underwriters Association. B. Hal Brown, Canadian general manager of the Life Underwriters Association of Canada, selected as his topic

MOTIVES AND IDEALS.

It is essentially necessary in order to attain, and satisfactorily occupy, any important position in life, not only to understand something respecting the difficulties which may be encountered; not only to be possessed of such strength and reserve force, moral and physical, as to enable valiant battle to be waged in the cause espoused; but also to have—which is of inestimable importance—the consciousness that underlying all is the principle of truth and right. The performance of duty in connection with our life work may then be undertaken fearlessly and confidently. * * *

Life insurance, above all other lines of business, requires in its conduct the highest integrity. It touches every phase of life and transcends in the magnitude of its sacred trust every other line of business in the world. Its representatives are teachers of the people in thrift; the untiring champions of the preservation of the sacred rights of the family and its continuity. They, like the Disciples of old, are Fishers of Men. They are true educationalists in the highest sense of the term in ethics and in economics. Their study is mankind, educating and influencing against unselfishness; producing provident and independent citizens. I would have you regard life insurance as the very highest vocation, and therefore worthy to have laid upon its altar the best abilities and to command the most devoted service. I know that I am but echoing your sentiments, as well as those of the good and the great who have preceded us, when I say that it is impossible to associate ideals that are too lofty when they are to be considered as applicable to the development of the character of those who are responsible for the building up of a business which is held to be vitally important to man and to society. * * *

It is an easier matter to accomplish any worthy undertaking when there is co-operation, because sympathy and encouragement are the natural results. In the field of our operations it is an especially gratifying and hopeful outlook that, through the efforts of men within the sound of my voice, an association known as The Life Underwriters has been most successfully organized, makiug co-operation possible; bringing together representatives of rival companies from the remotest sections of the country; legislating after discussion for the general uplifting of the business. Too much praise cannot be given to the efforts which have produced a Life Underwriters Association such as Canada can now boast of. The organization should be encouraged and assisted by the companies in a tangible manner. Unquestionably many known evils must and will be rooted out. I believe that much will be done to develop the best that is in each individual member; that sordid motives can find no place in the minds of the leaders or in the conventions that are held; but, on the contrary, lofty ideals will fill an exalted place, and though repeated partial failures may be chronicled, success must ultimately crown faithful effort.

Charles Warren Pickell, manager of the Detroit agency of the Massachusetts Mutual Life, chose as a title for his address

THE MAGIC KEY.

The great business we represent is of sufficient economic value to have back of it, in front of it, over it and under it, an enlightened public conscience—an insistent and persistent function expressed in honesty, purity and a square deal. We have nothing to conceal. Our business per se is above criticism. No one can disprove its mathematics, impugn its great beneficence or assail its solvency. Now and then an official or an agent, like some exceptional banker, or minister, may go wrong, but

this splendid business will, like Tennyson's brook, go on forever, until its aegis of care and consolation shall be spread over every home in the land. During the past thirty-five years while the life insurance business has been gradually coming under the lime light of public examination and criticism, the public conscience as related thereto has been attending school. You will not think me digressing if I refer briefly to two or three instructors responsible for its present sensitive condition.

First. The Press.—In the hands of wise and honest men, fearless of consequences, not open to purchase or subsidy, there is nothing more potent. Publicity is worthy the highest praise. It is almost a self-evident proposition to state that a united public press can carry or defeat almost any important question. Trade journals, valuable as they are to the profession, reach comparatively few; circulars and other literature are ignored or carelessly read; but a daily paper, hammering away unceasingly, is a mighty force to educate the public mind. Yet the personal equation enters the columns of the press. If there should be a shade of prejudice in the mind of the editor, it will reflect itself in his paper. A line of bias, or an expression of doubt, may do irreparable harm, yet when intelligently and truthfully he keeps his goose quill busy about our business, every man and woman who reads goes to school.

Second. The Ubiquitous Solicitor.—Either sunshine or shadow, he makes for good or bad. Either a manly man among men or a social pariah, he educates while he talks and trains while he works. He stands for honest methods and right living, or else is a member of the Ananias society in regular standing. Every one solicited is a pupil and every such pupil has a circle of pupils, so the training and influence of our solicitor grows in ever widening areas. With many thousands of earnest, ambitious, aggressive representatives in the land, they constitute no inconsiderable factor in the great educational work going on. The process of elimination is constantly improving the personnel of the field force, thus raising the standard of training from this source. * * *

Such a magical, dominant note calculated to secure an approving response from the public conscience, I have pleased to call straightforward promulgation, for want of a better term. We have a propaganda; it should be proclaimed. We have a doctrine; it should be in every home like the Bible. We have a creed; it should be on every lip. We have convictions, tenets, principles, dogmas, opinions, canons, which should become a part of the very bone and sinew of our body politic and the very cell and fiber of our public conscience. This fundamental or magic key must not be confounded with publicity. It means far more. Display ads. in newspapers are good, but not good enough. Reading notices of death losses, maturing endowments, etc., have their place in the great training school, but it's the kindergarten, not the gymnasia. Stereotyped annual statements, presidents' reports, Commissioners' comments, etc., are only advance sheets of the great encyclopedia of information. Beautifully engraved circulars scattered broadcast over the country are like meteors, attracting a few for a moment then gone forever. Peripatetic solicitors are like revivalists, here to-day, gone to-morrow, stirring things while in evidence, but many fall from grace after their departure. Agents associations and conventions are showers of blessings, but there are many arid plains just beyond the reach of the falling drops. Insurance journals are like preachers; they are great and good. We need them, but they preach to the select and the elect, while thousands never get their message. * * *

Let the slogan be sounded, "Educate the People." Promulgate our business through these great national bodies in a straightforward and simple and such a persistent way, until every fireside has been reached and every member of the family freely gives his confidence. Many reforms will reform again and many admirable features take on fresh beauty.

Sound again the magic key. Soliciting will be reduced to a minimum, because an educated desire will make it unnecessary. Extraordinary efficiency will respond in the acomplishment of greater things ever dreamed of by the founders of our institutions, business once placed will so tenaciously remain on the books that only death, limitation or unusual calamity can possibly drive it off. Competition will lose its fierceness through the process of elimination and the differentiation of all companies to an ideal public standard, and a tremendous volume of new business will no longer be a characteristic of greatness or goodness.

Sound the magic key, and keep sounding it. From every side, but faintly heard at first yet gradually swelling in volume, will come back the response: your business is above reproach, your companies are all right, the principles under which you operate are correct, your policies are just and liberal, your representatives are honest gentlemen, we believe in your work, we commend your ways, we trust you, we delight to do you honor. You are protecting our wives and children, you are guarding our estates, you are making comfortable our own declining years. Because of you our poorhouses and other charitable institutions are scarcely occupied and our people have learned habits of thrift and foresight; you have sweetened life, you have robbed sorrow of its poignancy, you have extracted the sting from death. The widow and orphan worship at your feet. All glory and honor and power and dominion to a business without a peer, combining in its one self the greatest savings bank, the grandest trust company, the most substantial home saver, the best equipped orphan asylum, and the most splendid preserver of moral character the world has ever seen. * * *

"Best's Reports."

[To the Editor of The Spectator.]

What is all this rumpus you are publishing about "Best's Reports"? Why do these timid persons who contribute to your columns dare speak a few plain truths, only from behind the veil of a nom de plume? Is it because the works of Mr. Best are so resplendent that common persons may only behold them from afar, or by shading their eyes, as with a smoked glass? Or is it because they are—in part at least—prepared by "the greatest living actuary," whose incomparable knowledge of insurance—fire, life, casualty, and graft—places them on an eminence which none dare approach? Now, Spectator, you enjoy the reputation of being fair to all persons, and an exponent of truth and correct practices, why don't you, having opened a discussion of this subject in your columns, come out plainly and tell your readers that Best's Reports are inaccurate, incomplete and unjust; that they are inspired by motives that do not measure up to the "Golden Rule"; and that by their own "Select and Ultimate" theory they are selected to perish, and to ultimate oblivion?

U. No Who.

New York, August 12, 1907.

[The communications we have printed regarding "Best's Reports" have been accompanied by the names of the writers, but we have refrained from printing them for reasons satisfactory to ourselves. If our correspondent will turn to his files of The Spectator, he will find that we opened the discussion regarding the Best's Reports by printing an editorial article in The Spectator of May 16, in which it is clearly stated that the Best's Reports are inaccurate, incomplete and unjust. This ought to be a satisfactory reply to our anonymous correspondent, who does not deserve a response for not having the courage to send us his name and address, as in the case of the other critics of Best's Reports.—Editor The Spectator.]

The Insurance Register for 1907.

One of the best known British publications dealing with insurance companies is The Insurance Register, the 1907 edition of which marks the thirty-ninth year of issue. It contains a record of the yearly progress and the present financial position of British insurance associations and much other valuable information. A concise, but exhaustive, review of the happenings of the year opens the work and is followed by the figures relating to fire and casualty insurance. The particulars regarding life insurance are very complete and so arranged as to be susceptible of ready comparison. While the work deals especially with British companies, it will be found of great interest to American underwriters. The Insurance Register sells at 50 cents per copy, paper bound, or at $1, bound in red cloth. Orders will be promptly filled on addressing The Spectator Company, 135 William street, New York.

Handy Insurance Publications.

Those who are interested in insurance will always find in the "pocket" publications of The Spectator Company (135 William street, New York) the best and most accurate information about life, fire and accident policies. The 1907 issues may now be had, embracing the following titles: "Life Insurance Policyholders' Pocket Index," "Pocket Register of Life Associations," "Dividends in Life Insurance," "Fire Insurance Pocket Index," and "Pocket Register of Accident Insurance." These handy little books may be purchased (postpaid) at the low price of 25 cents.—Leslie's Weekly.

Webb's Comparisons Simplified.

The 1907 edition of the above named work has been issued by the publisher, Eugene G. Webb of Springfield, Mass. The work gives a series of comparisons of thirty-four life insurance companies, the figures being compiled mainly from official reports. In addition to the annual statements for 1907, comparisons are also made with the Gain and Loss Exhibit and the dividend schedules. It contains 175 pages and sells at $1.50 bound in cloth, or $2 in leather.

—The record of the Royal Arcanum for the month of July shows a further loss in membership of 276. There were 726 new certificates issued and 72 reinstated. Deaths numbered 289, and 785 members withdrew. The financial statement shows receipts from assessments $716,490, while the death claims paid amounted to $714,213.

—Bourne's Handy Assurance Manual for 1907, covering the latest returns of British insurance companies, has been issued, and will be found particularly valuable to insurance managers of all classes. Copies may be ordered through The Spectator Company, 135 William street, New York, the price in limp cloth binding being 75 cents.

—The Royal Insurance Company is engaging in extensive plans for the development of its life business in Canada. On account of the large agency and branch organization of its fire department, the company is in a favorable position to acquire life business, and it is expected that considerable progress will be made by the branch within a short time. Inspectors for the life department have been appointed at Calgary and Winnipeg and two sub-inspectors have been appointed at Toronto and London, respectively.

INDUSTRIAL INSURANCE

—John Gibson, an assistant at Dover for the Prudential, has been made superintendent at New Bruuswick.

—The Rome Industrial Life will open offices in the Candler building at Atlanta, under the management of F. J. Whiteside.

—Assistant Charles A. Sullens of Cleveland No. 1 has been promoted to the superintendency at Zanesviile of the Prudential.

—Mark W. Biskle, Williamsburg, and John F. Condon, Long Branch, have been appointed assistants by the Colonial Life.

—H. T. Towson, of the Lebanon (Pa.) district of the Metropolitan Life, is the company's new superintendent at Coatesville, Pa.

—Assistant E. H. Kratzer, of the Allentown district of the Metropolitan, has been promoted to a superintendency at Coatesville, Pa.

—Simeon Spencer Carpenter of Jersey City, N. J., who had been with the Prudential since 1877, died recently at his home.

—T. R. Evans, superintendent of the Zanesville district of the Prudential, has been given a St. Louis district, effective August 5.

—Singleton Gardiner, formerly Prudential superintendent at Jamestown, N. Y., has regained his health and is uow superintendent of the Davenport (Iowa) district.

—The Prudential paid its milliouth industrial claim on July 30. The policy concerned was issued on the life of William Schaefer, recently fire commissioner of Newark, N. J.

—The Prudential has promoted Henry A. Schmidt to the position of ordinary instructor. Mr. Schmidt has shown his ability as an ordinary man and his record fully warrants his promotion.

—The Colonial has made the following recent appointments to assistancies: Albert Newman, Trenton; Hiram Y. Briggs, Reading; John M. Doyle, Jersey City, and Gilmore Howard, New York. James C. Reilly has been appointed manager of the Paterson district.

—E. E. Vickery, an agent of the Boston Mutual Life charged with rebating a small portion of industrial premiums on policies in arrears, has pleaded not guilty. The case, which now goes to the higher courts, will determine the attitude of the Massachusetts courts toward rebating.

—The Prudential opened district No. 11 in Philadelphia on Saturday, August 3, and a warm welcome was given Superintendent T. H. Fullerton by the entire staff. Addresses were made by Division Manager Vliet, Assistant Division Manager Kirk, Superintendents Lawson and Hardy, Medical Examiner Ellinger, Inspector Headley, Assistants Beardmore, Stewart, Herbst and Smelser, and Ageut T. H. Miller, a veteran P. O. G. man.

—Agent T. J. Hall of Danville has been appointed assistant in Greensboro for the Life Insurance Company of Virginia, succeeding M. C. Torian, who has been transferred to Kingston, as assistant. James Calk has been reappointed agent-in-charge of Sumter, succeeding Agent-in-Charge Westcott, who has resigned. Agent J. H. Thomas of Union has been appointed agent-in-charge of Darlington, succeeding Agent Kearse, resigned.

—The Prudential reports the following superintendency changes: Singleton Gardiner, who was compelled by illness to withdraw from the superintendency at Jamestown, N. Y., last year, is now in good health again and has been appointed superintendent of the Davenport (Ia.) district; Superintendent Thomas R. Evans has been transferred from the Zanesville (Ohio) district to the St. Louis No. 1 district; Assistant Chas. A. Sullens of the Cleveland No. 1 district has been promoted to the Zanesville superintendency; Assistant John Gibson of the Dover (N. J.) district has been promoted to the superintendency of the New Brunswick district; Thomas J. Fullerton of Wheeling has been promoted to the superintendency of the Philadelphia No. 11 district.

Acknowledgments

—New York insurance report, Part IV., assessment and fraternal orders, covering the business of 1906.

—Annual reports for 1907 have been received from the Insurance Departments of Iowa, Missouri and Tennessee.

—Nineteen hundred and seven edition "National Electrical Code," being the rules and requirements of the National Board of Fire Underwriters for the installation of electric wiring and apparatus as recommended by the Underwriters National Electric Association.

—We are pleased to acknowledge receipt of a copy of the Indiana Insurance Directory, published by The Rough Notes Company, Indianapolis, Ind. The book contains a complete compilation of statistical and other information relating to underwriting interests in Indiana; a directory of all insurance companies authorized to transact business in that State, and the names and addresses of the agents representing them, together with an absract of the insurance laws of Indiana and the fire protection of cities and towns situated therein. The work is well worth the price asked, $2.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

J. F. Van Riper succeeds A. F. Losee as United States branch secretary of the Norwich Union Fire. The appointment took effect from August 1.

The Excelsior, under the guidance of P. B. Armstrong, with $200,000 capital and $100,000 net surplus, began business a week ago and, it is understood, a goodly sum in premiums was written the first day. The programme of the company, to accept only restricted classes, will necessarily render the accumulation of income slow. The brokers are only permitted under the Exchange rules to patronize Exchange companies, and the Excelsior is not yet in that class, and from various sources we are informed that Mr. Armstrong prefers to keep out. Some brokers, it is said, have already forgotten their pledge, and it is not at all improbable the Exchange will send out a caution warning the brokers. The new Excelsior proposes to accept lines of $20,000 upon risks which belong to the class within its rules. Participating policies will be written direct for the assured, but not for brokers. The latter will receive twenty per cent commission for non-participation policies, and it is supposed the extra five over the regular Exchange allowance will be an inducement to brokers to run the risk of violating the rule referred to. This plan would, in any event, exclude the Excelsior from membership in the Exchange. The brokers, however, can place affidavit risks with the Excelsior without hindrance.

The Attorney-General has advised the Insurance Department that it is unlawful to maintain agencies in this State to deliver policies upon risks located in other States of companies not authorized to transact business in New York. This is a severe blow to the surplus line business, which has grown to large dimensions. The question hangs upon a technicality as to whether the prohibition of business in this State includes the placing of risks in other States. Heretofore it has been held that the Department had no jurisdiction over such practices. The affidavit system, affecting only local risks, are of course exempt from the prohibition. The law as laid down by the Attorney-General is well calculated to revive the underground system, which flourished twenty odd years ago.

We are informed that there are two Texas companies regularly authorized to transact business in this city which have not become members of the Exchange. They have failed to sign the agreement to abide by Exchange rules, and hence are still on the outside. This fact precludes certificated brokers from dealing with the companies, although it is a notorious fact both companies have already received quite a volume of premiums from that source.

The Insurance Company of North America and the Columbia of Jersey City were the two companies whose marine branches were called down by the Department in the matter of collision clauses in their automobile policies. Both have apparently abandoned it here, but it is stated one of them declines to give it up in other States. The recent tendency on the part of the authorities of each State is to regard any business which is unlawful in one State as unlawful in all, but nothing has been said thus far to indicate a resolution to throw out such a company from New York because it does in New Jersey what it is not allowed to do here.

William Grunbok has been appointed manager of the surplus line department of Michael Gold & Son, 56-58 Pine street. Mr. Grunbok is well equipped for his position, having had five years experience in the handling of surplus lines.

Henry T. Alley, agency secretary of the London Assurance, has resigned. He has been with the company for seven years.

Clarence L. Fabre and Frank E. Mendes of the well-known insurance firm of Fabre & Mendes, 92 William street, are, together with their friends, organizing the Knickerbocker Fire Insurance Company. The company will transact a general fire insurance business with a proposed capital of $500,000 and a like amount of surplus. The incorporators are: Clarence L. Fabre, Frank E. Mendes, Clarence Whitman, Ferdinand Sulzberger, J. W. Harriman, Ludwig Nissen, Wm. E. Hutchins, Colgate Hoyt, Edward J. Dougherty, Charles M. Englis, Stanley

Gifford, Henry C. Knox, Thomas Adams, Edward G. Burgess, William N. Dykman, William T. Hayward and James R. Morse.

William G. Whilden and Austin F. Hancock announce that they have formed a partnership under the firm name of Whilden & Hancock, with offices at 84 William street. The Eastern departments of the Walla Walla Fire, Austin Fire and Commonwealth Fire of Dallas are under the management of the firm, and all agents for the above-named companies in the Eastern territory will be appointed by the firm and report through their office. A brokerage and surplus line department has been established through which legitimate surplus risks will be considered in any section of the United States.

THE MIDDLE STATES.

Philadelphia, Pennsylvania and Delaware Insurance Directory.

The Philadelphia, Pennsylvania and Delaware Insurance Directory for 1907, a copy of which is at hand, is replete with valuable information. It contains the names and addresses of all agents in the above territory, together with the companies represented by them; exhaustive data covering the underwriters associations, their various committees, membership, etc., a list of licensed brokers in Philadelphia and elsewhere in Pennsylvania, corrected up to June 15, 1907; a synopsis of the insurance laws of Pennsylvania, and data covering the fire protection and water supply of various cities and towns in the State. Several statistical tables of interest to underwriters are also embodied in the work. The publication is issued by J. H. C. Whiting, Press of Review Publishing and Printing Company, corner of Locust and Fourth streets, Philadelphia, Pa. The price is $2.

—Judson C. Nichols, New York State special agent of the Caledonian of Edinburgh, died recently at North Madison, Conn.

—B. C. Chittenden, formerly special agent of the Union of London, has become special agent for W. L. Pettibone & Co., New York.

—Percy B. Dutton of Rochester, N. Y., New York State manager of the Teutonia of Allegheny, has appointed the Electric City Securities Company agents for Niagara Falls, and Arland & Park for Corning.

—E. E. Heins, for a number of years in charge of the adjustment department of Hall & Henshaw, New York, has been appointed staff adjuster of the General Adjustment Bureau in the Philadelphia office, to assist Manager Monrose.

—Louis S. Amonson, promoter of the Peoples National Fire of Philadelphia, Pa., reports that he has just passed the 200 mark in number of subscribers, the average amount of each subscription being about $1500. Included in these are thirty-five bankers and leading financial men.

THE WEST.

—The Security of New Haven is entering North and South Dakota.

—The Richmond of Richmond, N. Y., is entering Illinois, with Rollo, Webster & Co. as Cooke county managers.

—The city council of Willow Springs, Mo., has adopted an ordinance requiring each company doing business there to pay an annual license fee of $6.

—Much satisfaction is expressed by companies over the manner in which Manager C. T. Ingalls is handling the affairs of the Indian Territory and Oklahoma Inspection Bureau.

—The power-of-attorney phase of the new Michigan insurance controversy has been definitely settled by a ruling of the Attorney-General that the insured may give power-of-attorney to agent to sign coinsurance clause.

THE SOUTH.

—The Rhode Island Fire has entered Tennessee.

—The Shawnee Fire and the German Union Fire have been licensed in Virginia.

—G. L. Waller, senior member of the firm of N. Waller & Co., Selma, Ala., died recently.

—Franklin, Tenn., has reorganized its volunteer fire department on a more efficient basis.

—J. G. Spencer of Fort Gibson, Miss., has announced his candidacy for Insurance Commissioner of that State.

—John S. Aldehoff & Co. of Dallas, Tex., have been appointed general agents of the Equitable Fire and Marine for Texas and Oklahoma.

—The city council of Montgomery, Ala., has passed an ordinance reducing the license fee for each fire insurance company from $400 to $275 per annum. An increase in the tax on gross premiums has been imposed, so that the companies will now pay three per cent.

MISCELLANEOUS FIRE NEWS.

Fire Insurance Laws, Taxes and Fees.

The seventh annual edition of this valuable and convenient guide to fire underwriters has just been issued. More than forty State and Territorial legislatures have been in session during the current year, and there were few of them which did not enact or amend insurance laws. "Fire Insurance Laws, Taxes and Fees" has been carefully revised and the matter for each State and Territory has been submitted to respective insurance officials thereof for approval or correction. This book embraces, in quickly available form, synopses of and quotations from the statutes concerning over thirty topics, the matter relating to each State being grouped together and the subjects alphabetically arranged. In addition, to further facilitate its use, the entire book is completely indexed, one of its most useful features being a series of subject indexes.

Under the head of State Requirements the following data are given: Agents Defined; Agents' Licenses; Anti-Coinsurance; Anti-Compact; Annual Statements; Attorney; Cancellation of Policy; Capital Required; Deposit; Domestic Companies; Examinations; Fees; Fire Department Tax; Fire Marshal; Foreign Companies' Home Office Statements; Impairment; Investments Prescribed; Licensed Brokers; Limit on a Single Risk; Lloyds; Miscellaneous; Mutual Companies; Preliminary Documents; Publication; Reciprocal Law; Reinsurance; Reinsurance Reserve; Resident Agents; Semi-Annual Statements; Standard Policy; Taxes; Tax Statements; Valued Policy. County and municipal taxes and fees levied upon companies and agents are also listed, and this information will be found serviceable in estimating the expense of operating in a given State or locality.

A copy of this practical book should be within reach of every fire insurance manager and field man. It is in itself the equivalent of a large library of law books, with the advantage of being so conveniently indexed and arranged that the desired information can be readily located.

"Fire Insurance Laws, Taxes and Fees" is a book of 384 pages, handsomely bound in law sheep, and it may be obtained at $5 per copy (postpaid) from The Spectator Company, 135 William street, New York.

—C. A. Schallenberger has been elected assistant secretary of the California Fire.

—The Delaware of Philadelphia will soon resume operations on the Pacific Coast.

—Bernard Faymonville, vice-president of the Firemans Fund, has been appointed a supervisor of San Francisco.

—The Travelers Fire of Pine Bluff, Ark., has entered Washington through the general agency of Carstens & Earles, Seattle, Wash.

—The Washington Fire of Seattle shows for the first six months of 1907 an increase in its reinsurance reserve of $31,000 and an increase in its net surplus of $10,000 in round figures.

—The copartnership existing between Wm. S. Muir and J. Paul Haughton, under the firm name of Muir & Haughton, was dissolved by mutual consent on the 15th.

—The Washington Fire has made the following Illinois appointments: Rollins & Burdick, Cook county; Edward Camlin, Rockford; Brooks, Harrison & Garlough, Bloomington; Henry F. Velde, Peoria.

—The first number of the new quarterly of the National Fire Protection Association has made its appearance. It takes the place of the quarterly bulletin of the committee on special hazards and fire record.

—Catton, Bell & Co., general agents for the Union of London on the Pacific Coast, declare in a circular letter to their agents that there is no truth in the report that the company will withdraw from the Coast.

—Insurance companies transacting business in Oregon will not have to change the form of their policies where the New York standard is used. This was decided last week in a conference at Salem between Secretary of State Benson, Gus Rosenblatt and Chester Beering of Portland.

—The city council has finally authorized an expenditure of $250,000 for a salt water main system in Seattle, which will help the hazard there very materially. The local banks having agreed to take the $2,250,000 water bond issue, a second fresh water system is assured as rapidly as can be built, and, while this cannot be completed within two and one-half years at best, it will make a splendid water supply for Seattle then, as the present one is by no means inadequate, but the city is looking forward to its probable growth.

—The American Fidelity of Montpelier, Vt., recently licensed in Iowa, has made the following appointments in that State: Harter Ballard Co., Des Moines; John D. Gilmore, Sioux City; John Hynes, Davenport. Other recent appointments by the company are: A. R. Harvey, State agent for Nebraska at Omaha, and Chapman Fuller Brokerage Company at Kansas City, for Western Missouri.

Casualty, Surety and Miscellaneous

Inspection of Liability Risks.

[TO THE EDITOR OF THE SPECTATOR.]

The letter addressed to you by "Progressive" claims that the article in yours of the 18th July would be instructive "if true." It is easy to make such insinuations, but it is open to "Progressive" or any other champion of inspections to prove, by facts, that such have proved economically successful.

"Liability" would not change his view upon two or three "target" risks, for he is convinced, and in this any experienced liability underwriter will concur, that large "target" risks have been written for many years past at rates and premiums which have given no profit to the companies, and which have reflected little credit to the ability or judgment on the underwriter. "Liability" believes in the "law of average," and, given a sufficiently broad field of observation, he believes that the result will reflect the truth as applied to the whole, and which cannot be upset when taken on two or three "target" or selected risks.

"Liability" may not have had as much experience as some others, but "Progressive" is probably connected with a company with a very large liability business, and if the result of his underwriting as a whole does not show better than others, then if inspections have been of financial benefit wherever applied, it must logically follow that the rest of the underwriting was below the average.

"Liability" is "from Missouri" and wishes to be shown.

August 17, 1907. LIABILITY.

Casualty Notes.

—The Wisconsin Health and Accident Insurance Company of Fond du Lac, Wis., will retire from business.

—The Peoples Surety has decided to discontinue writing plate glass, burglary and personal accident insurance.

—The Ætna Life is now writing automobile liability policies covering cars while in Europe, for an additional premium of $25.

—The Employers Liability Assurance Corporation has made arrangements to write automobile and teams policies in Missouri.

—The Armstrong-Roth-Cady Company of Buffalo have been appointed by the National Surety Company to represent it in Niagara and Erie counties.

—The Empire Casualty Company of Parkersburg, W. Va., proposes taking up plate glass insurance, and expects to be writing policies in that branch by September 1.

—The Casualty Company of America has in preparation a new form of steam boiler policy which will cover damage done by the cylinder of the engine as well as the main steam pipe.

—A. R. Harvey of Omaha has been appointed Nebraska State agent for the American Fidelity, and the Chapman-Fuller Brokerage Company general agents at Kansas City for Western Missouri.

—The semi-annual statement of the Employers Liability as of June 30, 1907, shows total assets amounting to $4,408,898, with liabilities of $3,265,952, and a surplus to policyholders of $1,142,946.

—The steam boiler and fly-wheel insurance on the property of the Chicago Consolidated Traction Company has been secured by the Casualty Company of America, through the efforts of Marsh & McLennan.

—The Ætna Accident and Liability Company has begun issuing automobile collision policies. The form issued carries a minimum and maximum loss of $10 and $1000, the premium on which ranges from $7.50 to $15. This applies to pleasure vehicles only.

—The Norwich and London Accident Insurance Association has been admitted to Connecticut. H. S. Howe of Bridgeport has been appointed manager for that city. D. C. Negley & Co. have been appointed general agents for Western Pennsylvania, with headquarters at Pittsburg.

—The Colonial Casualty Company of Huntington, W. Va., recently under examination by Kentucky and West Virginia, has added $10,000 to its surplus and been admitted to transact business in Kentucky. The company specializes in insuring employees of railroads, factories and coal mining companies.

—C. P. Whitbread of St. Louis denies that the Casualty Company of America intends to cancel its Missouri business. It has reinsured its Missouri personal accident business in the Standard Accident of Detroit. The reason for the company giving up the casualty line is the objection to the Missouri suicide law, which the Supreme Court of the United States upheld in a recent decision.

Surety Notes.

—The National Surety of New York has been admitted to do business in Arkansas.

—About sixty general agents of the National Surety Company of New York will meet in New York city October 3, to discuss matters affecting their own company and the surety business generally.

—The John Pierce Company has secured the contract to build the Shokan reservoir, which is part of the proposed Catskill aqueduct. The contract price is $15,000,000 and the bond required will amount to about $5,000,000. Under the ten per cent ruling, it will be quite a problem to furnish this bond through the surety companies.

Annual and Deferred Dividends.

Under the requirements of the new insurance law of that State, life companies transacting business in New York are required to file schedules showing the dividends paid in the preceding year on all forms of participating policies according to the year of issue and for ages 25, 35, 45 and 55. The annual dividends and premium rates are for every year from 1876 to 1905, inclusive, and for every fifth year before 1876 back to 1846. The deferred dividend schedule includes four periods under five-year dividend contracts, and also policies with ten, fifteen and twenty-five-year dividend periods.

The Spectator Company of New York has made a compilation of these returns on the three most popular plans—ordinary life, twenty-payment life and twenty-year endowment—under which the bulk of the life insurance business is written. The compilation also gives the reserve basis and a condensed table showing the net cost per $1000 in 1906 for each year of issue.

This latest statistical publication of The Spectator Company, comprising as it does the dividend results of all the leading companies in the business, will undoubtedly command a large sale and be closely studied. Those using it should not fail to note the caution given in the introduction. The work is well printed and bound in red leather, and well worth the price, $1.50.—The Standard.

The Spectator Company, 135 William street, New York, has published "Annual and Deferred Dividends," which contains from one to four pages devoted to the dividends paid by each company during a series of years, from 1876 to 1905, inclusive. In the case of the older companies, the information runs back several years earlier, thus covering a period of more than thirty years. In addition to the dividend information, this book includes a page for each company which presents the net cost of insurance each year for each company, as based on the dividends declared and paid in the year 1906. An interesting feature of the work is that dealing with the methods of dividend calculation. The companies file with the schedule an explanation showing the precise methods by which the dividends are calculated, and these explanations are incorporated in this work. The price is $1.50.—Weekly Underwriter.

The Spectator Company has prepared a valuable publication entitled "Annual and Deferred Dividends, 1907." It shows the dividends paid to policyholders in 1906 by life insurance companies on policies issued in the years 1876 to 1905, inclusive, on the ordinary life, twenty-payment life and twenty-year endowment plans per $1000, at ages 25, 35, 45 and 55 at date of issue.

"Annual and Deferred Dividends" contains from one to four pages devoted to the dividends paid by each company during a series of years, from 1876 to 1905, inclusive. In the case of the older companies, the information will run back several years earlier, thus covering a period of more than thirty years.

In addition to the valuable dividend information, this new book includes a page for each company which presents the net cost of insurance each year for each company, as based on the dividends declared and paid in the year 1906.

The value of the contents of this work will be further increased by extension covers or flaps on each book, affording opportunity for ready comparison between the net rate of the company represented by the agent and competing companies. By means of flaps attached to the covers the agent of any particular company can instantly compare the net rates of any other company with its own.

An interesting feature of the work is that dealing with the methods of dividend calculation. The companies file with the schedule an explanation showing the precise methods by which the dividends are calculated, and these explanations are incorporated in this work.

It is substantially bound in leather and is of pocket size. The price is $1.50, and orders addressed to The Rough Notes Company, Indianapolis, will be promptly filled.—Rough Notes.

The Spectator:

The Spectator, *established in 1868, is a weekly journal devoted to promoting the best interests of trustworthy insurance of all kinds. The subscription price for the United States, Canada and Mexico is Four Dollars per annum, postage prepaid. To all foreign countries in the Postal Union, Five Dollars per annum.*

The Spectator *has a larger circulation than any other insurance journal—and carries no "deadhead" subscriptions.*

THE SPECTATOR COMPANY, Publishers.

Clifford Thomson, President. Arthur L. J. Smith, Sec'y & Treas.

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[All persons residing in America who may desire to purchase publications issued by Charles & Edwin Layton, of London, should order through The Spectator Company. As sole selling agents in America for that well-known firm, all orders for their publications are filled through this company.]

Vol. LXXIX. *THURSDAY, AUG. 29, 1907.* No 9.

In April last S. H. Wolfe, consulting actuary, after having made an examination of the Life Insurance Company of Virginia, made a report severely criticising the company. The basis of his criticisms was found in certain transactions of the previous management of the company, for which the present administration was in no wise responsible. The State corporation commission—the highest authority in Virginia on corporation affairs—granted a hearing to the company and three expert actuaries were called in to consider the report and to go over the matters of which Mr. Wolfe complained. These actuaries—D. Parks Fackler, Walter Nichols and Walter C. Wright—testified before the commission, and documentary evidence was submitted in behalf of the company. As a result the report of Mr. Wolfe was repudiated, the company declared to be in excellent condition, and the present management entitled to the confidence of the public. The three actuaries named reported to the company in detail answers to Examiner Wolfe's criticisms, and as his report had been widely circulated, the answers were widely published. While explaining the transactions complained of by Mr. Wolfe, they cast no reflections upon his integrity, but left the inference that in their judgment it was unwise on his part to go back ten or twelve years to condemn certain acts of former officers, which were deemed necessary at the time, even if irregular, when the company is at present conceded to be solvent and managed with ability. It was confidently expected that the endorsement of the company by the State Commission would end an unfortunate and unpleasant controversy, but Mr. Wolfe has seen fit to address another letter to Joseph Button, Commissioner of Insurance, reiterating his charges and criticising his critics. Regarding the reports of Messrs. Wright and Fackler, he says:

> These were so obviously the efforts of pens employed to perform a specific duty, and indicate a standard of right and wrong so totally and radically different from my own ideas (for which difference I am duly grateful), that I would have made no reply to them, being content to submit the bald statement of facts to the insurance world. Mr. Fackler, however, concludes his opinion with the statement that he believes my report "might have been greatly changed if before completing it he (I) had obtained all the information that was brought out at the hearing of the Virginia corporation commission, where both sides had a fair presentation." I neither desire at this time to question the so-called "fair presentation," nor his right to earn his salary of $600 a year (he has been on the pay roll of the company for a number of years), but I consider it unwarranted presumption upon his part to assume to tell what I would have done under certain circumstances.

Of course these gentlemen were paid for their services, and Mr. Wolfe was paid for his, as all professional men are paid for labor performed in the interests of their clients. The insinuation that their judgment was warped or their opinions influenced because of such payments, is a reflection upon the entire actuarial profession, and comes with poor grace from one whose income is derived from the practice of that profession. Mr. Fackler has been the consulting actuary of the Life Insurance Company of Virginia for many years, has served various other companies in a similar capacity, and was naturally carried on the payrolls of the company. Consulting actuaries, of whom there are many, advise the officers of the company that employs them, and all matters of actuarial importance are submitted to them for consideration, and their judgment is relied upon by the managers. The compensation they receive for such services has no influence upon the professional questions they are called upon to decide. Mr. Wolfe has an excellent reputation as an actuary and as an examiner, but he is liable to a mistake of judgment, for he is human, but his insinuations against the integrity of his senior actuaries is certainly in bad taste. His statement that Mr. Fackler presumed to state what he (Wolfe) would have done under certain circumstances is also incorrect. As to his latest communication, the Life Insurance Company of Virginia will undoubtedly ignore it entirely. The charges that he made originally have been abundantly refuted, not only by the actuaries named, but by the State corporation commission, which has certified to the company's solvency, to the ability of the present management, and that it is entitled to the confidence of the public. The effect of the controversy precipitated by the criticisms of Mr. Wolfe has drawn attention to the company in a prominent manner and will doubtless be attended with results beneficial to the policyholders.

When the legislature at its recent session passed what is known as the Moreland bill, authorizing the Governor to cause an investigation of all the State departments, it was taken for granted that the Insurance Department would be one of the first to receive attention at the hands of the Governor. This has proved to be the case, for he last week appointed Matthew C. Fleming of New York as his representative to make such investigation. The law authorizes such representative to compel the attendance of witnesses for examination, to administer oaths, and to require the production of any books or papers he may care to examine. Mr. Fleming is a well known lawyer, who was the Governor's associate counsel for the Armstrong investigating committee, at which time he became quite familiar with the subject of life insurance. When Superintendent Kelsey was under fire, and it was thought the Senate might approve of the Governor's recommendation for his removal, Mr. Fleming was mentioned as his possible successor. It is announced from Albany that the Governor does not contemplate catering to further sensationalism by this proposed investigation, but Mr. Fleming will conduct it in a quiet and orderly manner to ascertain if

there has been any dereliction on the part of Superintendent Kelsey that will warrant another attempt to secure his removal. While it is undoubtedly true that certain methods in vogue in the Insurance Department can be improved upon, it is generally believed in insurance circles that Mr. Kelsey has administered its affairs fairly, intelligently and in the interests of the public. He came into office, with little previous knowledge of the insurance business, at a time when its responsibilities were greater than ever before. New laws affecting life insurance especially had been enacted and were to receive practical application, and the San Francisco conflagration had just occurred and the public generally was alarmed as to the condition of the fire insurance business. The Department was overwhelmed with work, and at the same time somewhat demoralized by the criticisms to which it had been subjected. To handle all the business thus thrown upon him was a task that would have taxed the best ability of anyone, but Mr. Kelsey succeeded in disposing of it satisfactorily. His efforts unquestionably contributed largely to the preventing of a panic among merchants and other large holders of fire insurance policies. Since his appointment he has been attentive to his duties, bringing to the office an active intelligence regarding public affairs acquired by long service in other important offices. It is to be hoped that as a result of Mr. Fleming's investigation there may be some lessening of the work of the Superintendent, as well as a reduction of the burdens imposed by law and precedent upon insurance companies.

AS automobiles grow more and more in public favor, the number of fatal accidents resulting from their use naturally increases. Such fatalities are the result of ignorance, carelessness or recklessness in nine cases out of ten. When considered as a ready means of transportation for business or pleasure, the automobile is a desirable acquisition of modern times, and has, no doubt, come to stay, but its use as a deadly projectile, rushing through the streets of a city or on country roads should be prohibited by the rigid enforcement of stringent laws. But there seems to be a lurking devil in an automobile that tempts its occupants to fast driving and recklessness of consequences. Men—and women, too—who have been content in the past to ride eight or ten miles an hour behind a pair of good roadsters, the moment they climb into an automobile are not satisfied until they run it up to the limit of its capacity, be it twenty or fifty miles an hour. They find the pace exhilarating, and the greater the speed the greater their enjoyment. They get so used to going rapidly that they do not realize the fact that they are breaking the anti-speed laws, and are astonished when a vigilant official arrests them for going over fifteen miles an hour. There is to them an irresistible charm in flying over the roads in clouds of dust and bad odors. The excitement of a test of speed with some other machine has all the fascination of a steamboat race on the Mississippi, as described by Mark Twain, and even women chauffeurs enter into it with vim and zest. The automobile craze is now at its height, and it is an open question whether or not it will eventually tone down into a sane and safe means of getting about for business purposes or for travel and sight seeing. An automobile tour through the country at a speed not exceeding fifteen miles an hour, is certainly a delightful way of seeing its varied beauties of hills, valleys, and all sorts of rural scenery, but such excursions are often spoiled by reckless drivers of other machines, who consider that all the roads are theirs and that the "slow coaches" have no rights that they are bound to respect. A careful driver is not so much concerned as to the working of his own automobile as he is as to what the other fellows are going to do. In these days, when the roads are full of automobilists, the conservative driver must be constantly on the alert lest he gets bumped or run into the ditch by some aggressive chauffeur, whose only object is to "get there" in less than record time. The daily record of fatalities from automobiling demonstrates the fact that a majority of automobilists are reckless as to speed and wholly indifferent to the lives and welfare of others.

UP in Maine they are experiencing a sort of epidemic in the organization of mutual fire insurance companies. Under the law of that State any group of propertyowners is permitted to organize as a mutual fire insurance company, and there are now fifty-four of these that have been duly chartered. They insure farm property mainly, but instead of paying premiums, the insured give notes, upon which varying assessments are imposed as losses occur. The companies have no available assets outside of such premium notes, maintain no reserves and have no surplus. It is said that upwards of $30,000,000 worth of farm property has been insured in these concerns, if that kind of underwriting can be called insurance. Similar schemes have been tried heretofore, but without success. The trouble begins when an effort is made to collect assessments to pay losses. Farmers, those "hardy sons of toil," object to paying out their money to benefit some other fellow whom they did not know and whose losses by fire or otherwise did not interest them. They are also suspicious of "graft" in the management of such concerns, and are fearful lest an assessment covers the "junketing expenses" of the officers. The man who pays in cash a fixed premium for insurance in a reputable company, whose assets are adequate for all emergencies, is the one that has "insurance that insures," and can sleep peacefully with the full knowledge that if his house or barn is burned, the company will make good his loss from funds immediately available for that purpose, and that he will not have to run the chances of his neighbors paying assessments. "Money talks" is a pertinent saying, and in the matter of insurance, capital, surplus and other available assets are absolutely necessary to guarantee the fulfillment of contracts of indemnity.

An officer of a company informs us that the preparation of a dozen or more of complete cabinets with cards of rates involves an expense for printing alone of over $8000, and as it is the right of every new member to possess a cabinet, the question is a serious one. The Exchange has been obliged to call in several cabinets which were held by a few offices by sufferance and not by right, and some of the holders are mad and indignant because of this fact. The amalgamation of offices has brought about the result of giving one office more than one cabinet and the confusion of having to surrender them is an annoynoyance. The Exchange, however, is master of the situation, and can refuse to serve the extras with the current cards, which soon brings the others to terms.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

Several companies have been hit hard by the summer resort fires in various places this season. They are revising opinions upon the desirability of such risks, and many of them have gone back to the opinion of fifteen or twenty years ago—that they are not insurable. While this is the newest conclusion in the North, it is noticed a movement is under foot in the South to reduce rates on the Flagler hotels and others in Florida, in order to benefit the agents. There is an outcry against this, but the question is before the officers of the South-Eastern Tariff Association.

The risks of the International Automobile Fire Company of New Brunswick were equipped with automatic sprinklers some months ago. Thereupon there was a contest for the insurance between the Factory Insurance Association and the senior mutuals of New England. A week ago the mutuals were awarded the line, which is about $400,000, on a basis of about seven cents per annum against an offer of twelve cents by the Factory Insurance Association companies.

The New York Board bowed to the inevitable last week and waited a half hour for a quorum in order to pass some deferred appropriations which had been neglected in previous months. It was a trial to some of the members to attend, owing to the vacations of clerks and others in their offices; but by the good nature of the president and the patience of the delinquents, a quorum was obtained by accepting the answer to the roll call of subordinates in several offices. Then the work proceeded. Notice was given of a resolution, to be offered at the September session, to impose a fine of $1.00, after the manner of the Exchange, upon absentees. There is a difference in the situation between the Exchange and the Board. In the former any person qualified as the representative of a member may answer the roll call, but only members in person can respond in the Board. The temper of those who waited a half-hour a week ago was ripe for the fine, and if it had been pressed then and there the meeting would have adopted it with a hurrah. Whether the delay will cool the blood and defeat it at the next meeting remains to be seen.

We are advised that the city brokers are patronizing the new Armstrong company, the Excelsior, quite generally, in spite of the claim that it is in violation of their pledge to the Exchange. Probably this matter will receive the attention of the Exchange at an early day.

A singular meeting of the officers of fire companies was held on Monday to consider the rebellion of a local agent representing all of the companies in a Western city of the second class. This agent has flatly refused to obey the tariff rates furnished to him by the regular associations, and has appealed to the companies, to whom the proposition is presented whether to call for the agent's resignation or to remove him summarily and precipitate a rate war at a profitable point.

The surplus lines in this city are now at their height, judging by the amounts reported to the Department at Albany. The principal lines are as follows: B. T. Babbitt (two risks), $189,600; Rusch & Co. (two risks), $264.000; C. G. Gunther & Sons (two risks), $1,142,000; Storm Bros., $693,000; James McCreery & Co., $315,000; Revillon Freres, $635,000, and Frederick Loeser & Co., Brooklyn (three risks), $602,500.

Although not occupying its former rooms in the Mutual Life building, the National Board has assumed the rent of the rooms until such time as the rooms may be rented or occupied by the New York Board. There are several changes in the rooms of the committees, as well as by the manager of the Exchange, which would dispose of the vacant rooms, but with an increase of rent on account of the Board, which causes a halt. The Exchange in particular has increased its work so largely by additions of new duties that ere long it will be compelled to have more room.

The notices which are now appended to copies of Exchange schedules sent out of the Exchange referring to the rule that no change in the rates quoted can be made after three years from the date of the last survey, gives some uneasiness to the interested brokers. The time seems quite sufficient to allow for any changes, but the owners of property are clamoring for the stability of these rates. Nevertheless, we never heard of a case where the assured or his broker refused to accept a reduction, whether general or specific, and the cry for stability means: "dont increase, but hand out a decrease early and often."

The automatic sprinkler companies are all busy, and the auxiliary companies organized in the West and South also announce great activity in new contracts. This is the direct fruit of the encouragement given to sprinklered risks by the underwriters, and there are some signs in the fire insurance horizon of a reduction in rates upon such property, especially isolated factory risks. Our city companies maintain a special bureau to promote and inspect such risks, and the way they hammer rates on special hazards is one of the marvels of the old timers. Reductions of seventy-five per cent for sprinklers in manufacturing risks appear to be common. But the companies are up against mutual and inter-insurance competition and profess their readiness to meet it, but they rarely tackle mercantile risks.

The companies engaged in automobile insurance are fighting shy of the collision clauses, in spite of the increased demand. The English Lloyds and one or two of the liability companies are taking up that feature, but the latter are up against the question of fire loss, which they are as unable to write as the fire and marine companies are unable to write the collision liability. In truth, the business seems involved in a wholesale muddle.

John H. Packard, formerly of the American Fire of Philadelphia, has been appointed agency secretary of the United States branch of the London Assurance. Mr. Packard will assume his new position September 1.

BOSTON AND VICINITY.

The Spectator correspondent visited Old Orchard, Me., the next day after the great fire, and never was there a cleaner sweep by any conflagration. Something like a mile of the water-front was left, a scene of desolation, as bare as it was a century ago. Scarcely an ember remained, and in many cases where a large hotel had stood there was scarcely any ashes, showing how perfect was the combustion. The total property loss was about $600,000, and the insurance amounted to approximately $200,000. As is usual in the case of summer resorts, the fire protection was extremely inadequate and the fighting facilities poor.

Relative to the contention which is being considerably discussed among Boston insurance men—that in case of insolvency resulting from conflagation the loss claimant should be made a preferred creditor—the companies are pretty unanimous in taking this view: that there can be no objection to the plan; that the only one who can object to it is the one who escapes loss in a disaster which paralyzes the companies; that before the disaster occurs it is safe to say that all policyholders would strongly favor those who insure the losses before there is any return of premium to those who do not.

J. S. Eynon, who succeeds E. J. O'Neil as general adjuster in the John C. Paige & Co. agency, is a graduate of the Massachusetts Institute of Technology.

In connection with Boston's salt-water pipe system for fire protection, which was installed about ten years ago, it is interesting to note that up to the present time the emergency has not come when the system had to be used. Connection with the mains can be made with several streets in the conflagration district.

The Federal of New Jersey, it is reported, will hereafter do a marine instead of a fire insurance business in Massachusetts.

As a result of the establishment of a new high-pressure water service, fire insurance rates in West Springfield, Mass., have been reduced sixteen and two-thirds per cent.

The Boston Retail Grocers Association, having about 500 members, is considering forming a strictly retail grocers insurance company. They claim that their risks are minimum hazards, and that they can thereby procure insurance cheaper than at present.

It is reported that something like one hundred fire insurance agents in the vicinity of Boston have decided to become members of the

Boston Suburban Board of Fire Underwriters, which is now being organized—the object being to eliminate, so far as possible, from the fire insurance business persons in other professions who engage in underwriting only during their spare time. The sanction and approval of the fire insurance companies will be necessary in order to make this organization a success.

The Boston Board of Fire Underwriters has voted to omit the word "steam" from the phrase "using steam power," in the paragraph relating to confectionery manufacturers.

CHICAGO AND THE WEST.

The payment of the city of Chicago of the two per cent tax on fire insurance premiums in the city for the year ending June 30, so far as completed, reveals many changes in the standing of the companies, as the result of the shifts in business following the San Francisco fire and the retirement from business of several important companies. The Royal is in the lead this year, having premiums of $372,724, a gain of more than $60,000. Next in order is the Liverpool and London and Globe, the collections of which amounted to $366,302, an increase of over $50,000. The Royal during the year on which the present figures are given took over the business of the German of Freeport. Following are comparisons of the premiums of the leading companies this year with their premiums of the year preceding:

	1907.	1906.
Royal	$372,724	$309,130
Liverpool and London and Globe	366,302	312,472
Ætna	301,890	314,338
Home	280,964	305,732
Phenix	232,682	240,754

NOTES FROM PHILADELPHIA.

The Pittsburg agency of the Delaware has been transferred to D. C. Negley & Co.

The Philadelphia Underwriters has appointed Benjamin M. Brothers special agent for Virginia, headquarters at Richmond, and Paul Turner, Jr., special agent for Delaware, Maryland and the District of Columbia, headquarters at Baltimore.

The Western Pennsylvania field has been added to the territory of Charles M. Tobin, the Western New York special agent of the Commercial Union of London.

Another Capital Fire will shortly be in the field. It is being organized at Washington, D. C. with $100,000 capital and $50,000 surplus.

Samuel Welsh, head of the firm of Ervin & Co., of this city, bankers and brokers, who died recently at his summer home, Watch Hill, R. I., following a stroke of apoplexy, was buried last week. Mr. Welsh was prominent in the social and financial world, and for a number of years was associated with Wm. Brockie in this city under the firm name of Brockie & Welsh, insurance agents and brokers.

The agency and brokerage firm of Seder & Herkness, formerly located in the second floor offices at 321 Walnut street, now occupied by the New York Plate Glass, have opened new offices in the fourth floor of the building 136-138 South Fourth street, and the suburban agency of A. P. Townsend is occupying the offices with them.

Colonel K. Whidden and Albert J. Schnitzel have formed a copartnership under the firm name of Whidden & Schnitzel, to conduct a real etate collection and general insurance business. Their offices are at 1083 Drexel building.

The locomotives which some time ago were equipped with fire fighting apparatus by the Pennsylvania Railroad Company at its Altoona shops have been found so efficient that the company has decided to equip all its yard locomotives in the same manner.

The Teutonia of Allegheny has been licensed to do business in Missouri.

Dating from August 15, agents resident in Du Bois, Pa., formerly reporting to Altoona, and agents in Clarion and Jefferson counties, formerly reporting to Brookville, are instructed by the Underwriters Association of the Middle Department to send all reports to John H. Chase, who has been appointed stamp clerk for Du Bois (Clearfield county), Clarion and Jefferson counties, Pa.

Charles Tredick & Co., the well-known Philadelphia insurance firm which is licensed to place surplus lines in this State, announced last week that they are now prepared to secure policies of the Roger Williams Fire and Marine of Providence, R. I., on desirable affidavit risks.

J. T. Sullivan, of the prominent firm of Creth & Sullivan, is at his office again after having recovered from a severe illness. John E. Creth of the same firm is abroad for his health.

THE MIDDLE STATES.

The Surveyor Insurance Directory of New York and New Jersey, published by A. G. Hall of New York, is a valuable work. It contains the names and addresses of insurance companies, agents, with companies represented, and brokers in the above named States. County and local underwriters' organizations are also listed, with the names of their respective officers and committees. The population of each city is given and the nature of fire protection obtainiug. Orders will be filled by The Spectator Company, 135 William street, New York. Price, $2.

—John D. Stone, a retired insurance man of Syracuse, N. Y., died recently, aged eighty-three years.

—William G. Mackett, recently assistant secretary of the Underwriters Association of the Middle Department, has been appointed Western Pennsylvania special agent of the Connecticut Fire.

—The Northwestern Mutual Fire of Onondaga County, New York, a co-operative concern, is reported as having been proceeded against by the New York State Central Organization of Co-operative Insurance, with a view to having the corporation dissolved, on the ground of alleged violations of the co-operative insurance law.

—Superintendent of Insurance Otto Kelsey has received an opinion, requested of the Attorney-General by the Insurance Department, on the right of an unauthorized insurance corporation to have an agent and an office in the State of New York and there to receive applications for insurance, the risk to be situated outside of the State, and no contract to be binding until ratified at the home office of the company in another State, from which office all policies were to be issued, and where all premiums were to be paid. The Attorney-General holds that the proposition outlined constituted the transaction of business within the State, and therefore is an infraction of section 50 of the insurance laws.

THE NEW ENGLAND FIELD.

Synopsis of Massachusetts Insurance Report, Part I.

Insurance Commissioner Cutting recently issued Part I. of the fifty-second annual report of his Department, dealing exclusively with fire and marine insurance, and giving at the same time a statement of his finances. A leading feature of the document is an exhaustive discussion of the effect of the San Francisco disaster, which cost $140,000,000 on fire commission companies. He notes that thirteen companies have withdrawn from the Commouwealth aud thirty-one have been admitted during the year. He discusses at length the question, "Should a company rendered insolvent by a fire first pay the losses, or should it first take from its assets enough to reinsure its outstanding policies, and with the remainder settle with its loss claimants on a pro rata basis?" The Commissioner declares uuequivocally that the sufferer by fire should receive first consideration, since it is for him that insurance companies are established. He says: "It is repugnant to a sense of fair dealing to first look after the interests of those who have suffered no loss, and afterward the interests of those who have perhaps lost their all in the conflagration." The Commissioner says, "if the choice were givén a merchant between two policies, one of which provided for the full indemnity purchased by his premium, but for the loss of the unearned part of the premium, in order to pay other loss claimants in full in case of a conflagration, or a policy that provided for part indemnity in case of a conflagration, but gave the policyholder the right to demand his pro rata share of his unearned premium, or to have his policy kept in case he himself had uo loss by fire, he would take the one providing the full indemnity. This point should be embodied in law." The Commissioner devotes several pages to a defense of his attitude on the reserves of compauies, which resulted some time ago in the withdrawal of a company from the Commonwealth. He declares that it is better not to weaken the companies by reducing the amount of the reserve they must carry, but rather to provide that they may have a reasonable time to

make good any impairment which results from the abnormal loss by reason of a conflagration. A year would be ample, he says, as shown by experience in the case of the San Francisco disaster. He would provide by law for it.

Considerable space is devoted to the recent administration of the affairs of the American Fire Insurance Company of Boston, which ceased doing business as the result of its San Francisco losses, and for which an application for a receivership by San Francisco claimants is now pending in the courts.

During the eleven months to November 30, 1906, the amount collected by the Department in fees was $84,020. The expenditures were $49,718. The net surplus turned over to the Commonwealth amounted to $34,306.

THE WEST.

—P. B. Smith, vice-president of the Winona Fire of Winona, Minn., is dead. He was president of the Minneapolis Chamber of Commerce.

—The receiver of the German of Freeport has stopped sending out checks for the thirty per cent dividend recently ordered by Judge Heard, pending a further order by the court.

—G. A. Mavon, an examiner in the Western department of the Providence Washington, has been appointed special agent of the Walla Walla Fire for Illinois and Indiana, effective September 1.

—R. W. Rightsell & Co. of Little Rock, Ark., have been appointed general agents of the Western of Toronto, and Johnson & Cotnam will represent the Arkansas interests of the Queen City Fire.

—M. A. Shumard, formerly Southern general agent of the German of Freeport, has gone into the local agency business at Forth Smith, Ark., under the firm name of M. A. Shumard & Co. The agency is incorporated with a capital stock of $20,000.

—John Knudtson of Eau Claire, Wis., special agent of the Northwestern Fire and Marine of Minneapolis, has been called to the home office to become superintendent of agents for the States, reporting direct to Minneapolis, including Minnesota, North and South Dakota, Iowa and Wisconsin.

—The following appointments have been made by the Walla Walla Fire: The company goes into the general agency of the Commonwealth and Austin Fire at Dallas for Texas, under a reciprocal general agency contract with those companies, for Washington. Edwin Shelby & Co. of New Orleans are appointed general agents for Louisiana; Arnold, Raines Company of Little Rock, general agents for Arkansas; the Wolverton Company, general agents for Oklahoma and Indian Territory. The report made upon the condition of the company by the Wisconsin Department, completed on August 9, shows gross assets, $405,035; total liabilities, except capital, $24,676. License for that State has been issued.

THE SOUTH.

—William Wood, secretary of the Hibernia of New Orleans, is dead.

—The North British and Mercantile of London has resigned membership in the Cotton Insurance Association.

—Love & Aiken of Baltimore have been appointed dual agents of the Buffalo Commercial and the Shawnee Fire.

—J. F. Flowers, formerly stamping clerk at Charlotte, N. C., will become manager of the Scottish Fire of Fayetteville.

—The Walla Walla Fire has entered Maryland and appointed James Bond as attorney to accept service, and Chas. A. Webb as agent.

—Henry F. Duncan, junior partner of the prominent Louisville local agency firm of McAtee & Duncan, died suddenly last week of apoplexy. He was for eight years Insurance Commissioner of Kentucky.

—The South-Eastern Tariff Association has abolished the stamping offices at Lynchburg and Alexandria, Va. Commencing August 31 all daily reports, canceled policies and indorsements will be sent to Richmond instead of the stamping offices having jurisdiction.

MISCELLANEOUS FIRE NEWS.

Companies Complied with Rules.

[To the Editor of The Spectator.]

Our attention is called to an item in to-day's issue of your paper, calling attention to the fact that two Texan companies, regularly authorized to transact business in New York, have not become members of the Exchange. Further, that they have failed to sign the agreement to abide by the Exchange rules, and hence are still on the outside. You also refer to the "notorious fact" that both companies have already received quite a volume of premiums.

Your informant has not correctly stated the case. It is evident that the two companies referred to are the Austin Fire Insurance Company and the Commonwealth Fire Insurance Company, both of Dallas, Tex., for which companies we are the Eastern managers.

The agreement to abide by the Exchange rules was signed by us and duly filed with the New York Exchange.

It seems that the Exchange has made a ruling requiring the signatures of the officers of both companies, and refuse to accept our signatures as managers of this department. It is purely a technical ruling, but in order to comply with all the demands of the Exchange, a duplicate set of agreements has been forwarded to Texas, and we expect to receive these executed by the officers of the companies in order to remove any question which the Exchange may bring up.

Both companies have absolutely lived up to the rules, rates and requirements of the New York Exchange. Very truly yours,

Whilden & Hancock,

New York, August 22, 1907. Managers Eastern Department.

Semi-Annual Statements of Fire Insurance Companies.

Below will be found extracts from the semi-annual statements of a number of fire insurance companies as of June 30, 1907. Statements of foreign companies are for their United States branches. The columns of assets and surplus to policyholders as of January 1, 1907, are included to facilitate comparison. The changes in surplus to policyholders naturally reflect all the transactions of a given company during the six months.

COMPANIES.	Capital, June 30, 1907.	Assets, June 30, 1907.	Assets, Jan. 1, 1907.	Surplus to Policyholders.	
				June 30, 1907.	Jan. 1, 1907.
	$	$	$	$	$
Allegheny Fire, Allegheny	100,000	348,228	233,903	134,274	131,532
Alliance, Philadelphia	500,000	1,248,846	1,088,618	726,072	671,026
American Central, St. Louis	2,000,000	5,199,455	5,111,813	3,046.508	3,026,730
American Druggists, Cincinnati	100,000	107,477	......	101,792	......
American, Newark	600,000	6,550,378	5,805,643	1,800,835	2,063,510
Anchor Fire, Des Moines	25,000	353,865	343,688	45,986	71,769
Atlanta Home, Atlanta	200,000	411,751	368,708	325,142	295,596
Atlantic City, Atlantic City	100,000	......	174,220	169,732	158,016
Atlas, London	......	2,069,024	1,959,635	609,697	633,780
Caledonian, Edinburgh	......	1,955,302	2,155,909	626,778	527,225
Citizens, Clarksville	50,000	147,286	99,118	58,013	50,055
Citizens, St. Louis	200,000	711,373	705,686	335,815	271,142
Commercial Union, London	......	7,029,041	7,179,301	2,031,647	1,613,066
Concordia Fire, Milwaukee	300,000	1,376,307	1,308,490	471,238	406,065
Connecticut, Hartford	1,000,000	5,721,434	5,401,598	2,282,187	1,859,460
Continental, New York	1,000,000	16,867,138	17,030,600	9,001,895	9,428,734
Detroit F. and M., Detroit	500,000	1,892,975	1,786,159	1,350,365	1,292,735
Dubuque F. and M., Dubuque	200,000	1,047,540	728,209	350,867	459,972
Equitable, Charleston	120,000	263,926	270,060	153,181	164,371
Federal Lloyds, Chicago	......	194,823	167,011	37,773	39,254
Fidelity Fire, New York	1,000,000	2,570,712	2,759,367	2,045,600	2,000,000
Fire Association, Philadelphia	750,000	7,592,891	7,290,722	2,404,975	2,181,468
Firemans Fund, San Francisco	1,600,000	5,345,574	3,270,574	2,178,913	1,512,731
Firemens, Newark	1,000,000	4,541,077	4,394,068	3,003,140	2,915,686
German Alliance, New York	400,000	1,344,085	1,393,710	798,123	859,417
German-American, New York	1,500,000	13,620,302	13,798,729	6,354,284	6,630,426
Girard F. and M., Philadelphia	500,000	2,256,127	2,335,450	405,410	965,308
Georgia Home, Columbus	300,000	1,124,236	1,111,116	571,875	564,545
German, Pittsburg	200,000	1,043,876	875,360	378,207	327,456
Glens Falls, Glens Falls	200,000	4,132,800	3,945,387	2,214,697	2,086,054
Globe and Rutgers, New York	400,000	4,135,988	4,101,960	1,561,131	1,658,529
Hanover, New York	1,000,000	4,077,242	4,228,427	1,856,241	1,892,290
Hartford, Hartford	2,000,000	17,897,193	19,049,930	4,954,683	4,783,254
Home, New York	3,000,000	20,717,752	20,839,174	9,823,853	10,408,355
Ins. Co. of North America, Phila.	3,000,000	10,749,399	10,741,510	1,042,994	1,035,640
Liv. and Lon. and Globe, Liv'p'l	......	11,969,110	12,335,961	3,968,718	4,623,651
Liv. and Lon. and Globe, N. Y.	200,000	646,072	671,971	502,236	445,999
London and Lancashire, Liv'pool	......	3,506,011	3,465,371	1,127,394	1,057,897
Lumbermens Mutual, Mansfield	......	322,175	286,023	201,157	171,198
Mercantile Mutual, Providence	......	223,353	247,010	101,829	119,675
Merch'ts and Bankers, Des Moines	25,000	258,257	165,206	54,416	49,634
Milwaukee Fire, Milwaukee	200,000	668,565	687,733	347,943	345,316
Milwaukee German, Milwaukee	100,000	155,677	138,360	33,854	28,206
Milwaukee Mechanics, Milwaukee	500,000	2,547,849	2,759,170	1,541,849	953,787
National, Hartford	1,000,000	7,439,569	7,076,853	2,347,010	2,228,442
National Union, Pittsburg	750,000	2,348,306	2,240,810	1,084,762	1,010,144
New Hampshire, Manchester	1,000,000	4,233,069	4,310,836	2,261,996	2,259,392
Niagara, New York	750,000	4,336,451	4,463,263	1,557,146	1,770,208
Northern, London	......	4,508,871	4,248,912	1,496,768	1,183,907
North British and Merc., London	......	6,710,297	6,712,617	2,425,443	2,687,485
North River, New York	350,000	1,856,170	1,837,514	596,505	574,524
North State, Greensboro	200,000	427,013	404,537	316,081	324,184
Northwestern Mutual, Seattle	......	143,791	126,419	50,835	44,572
Norwich Union, Norwich	......	3,025,474	3,172,591	939,481	827,816
Orient, Hartford	500,000	2,209,343	2,057,943	847,048	760,362
Palatine, London	......	3,226,746	3,248,580	1,218,495	1,106,243
Phenix, Brooklyn	1,500,000	9,058,028	9,501,321	2,622,258	3,126,824
Phœnix, Hartford	2,000,000	7,689,012	7,610,658	3,355,069	3,263,323
Phœnix, London	......	3,078,087	3,229,896	912,843	942,225
Queen, New York	1,000,000	6,754,627	6,506,637	3,015,617	2,834,469
Queen City Fire, Sioux Falls	200,000	639,752	627,408	400,004	415.738
Rhode Island, Providence	300,000	703,573	600,182	605,641	600,182
Rochester German, Rochester	500,000	2,201,306	2,120,523	1,041,509	1,010,485
Royal, Liverpool	......	12,265,072	12,903,821	3,596,332	2,130,046
St. Paul F. and M., St. Paul	500,000	4,814,048	4,346,625	1,526,076	1,238,180
Scottish Union and Nat'l, Edinb'gh	......	4,612,609	4,448,912	2,333,158	2,186,506
Seaboard F. and M., Galveston	250,000	363,528	342,431	309,980	306,779
Southern Mutual, Athens	......	1,043,244	1,076,439	644,122	767,104
Springfield F. and M., Springfield	2,000,000	7,021,222	6,936,261	3,068,598	3,122,880
Springfield Und'rs Mut., Sp'gfield	......	30,101	26,840	953	3,883
State, Des Moines	100,000	403,497	387,111	151,412	142,236
Sun, London	......	3,620,794	3,556,754	1,014,936	931,093
Sun, New Orleans	500,000	1,181,074	1,120,472	716,038	723,440
Toledo F. and M., Sandusky	100,000	207,357	203,279	123,699	131,098
United American, Milwaukee	100.000	189,322	177,878	114,049	116,198
United Firemens, Philadelphia	400,000	1,965,674	1,934,485	502,720	475,730
Washington Fire, Seattle	250,000	407,804	340,369	304,847	290,240
Westchester, New York	300,000	3,526,514	3,738,676	1,210,521	1,311,275
Western Reserve, Cleveland	200,000	430,438	411,951	117,088	125,176
Western, Toronto	......	2,448,305	2,493,155	588,465	483,990
Williamsburgh City, Brooklyn	250,000	2,288,568	2,342,872	919,988	1,014,094

Fire Insurance Premiums in New York City.

The following table shows the returns made to the New York Board of Fire Underwriters of premiums received in New York city by companies during the first six months of 1907, in comparison with the figures of the corresponding periods of the five preceding years:

NAME OF COMPANY.	1907.	1906.	1905.	1904.	1903.	1902.
NEW YORK.	$	$	$	$	$	$
Adirondack	12,342	......	......	......	......	......
Assurance Co. of America	......	34,435	31,326	20,548	21,908	27,578
British-American	2,445	30,177	21,194	20,280	20,576	16,579
Caledonian-American	10,891	8,278	6,776	......	......	......
City of New York	58,783	58,564	34,617	......	......	......
Colonial	48,766	40,923	43,300	40,566	37,516	39,431
Commercial Union	16,535	22,331	23,720	21,006	19,049	15,347
Commonwealth	39,960	46,321	25,699	33,895	33,736	31,627
Continental	212,985	294,981	249,691	272,746	293,358	226,093
Cosmopolitan	49,352	15,243	......	......	......	......
Eagle Fire Co	46,949	42,470	20,936	......	......	......
Empire City	54,330	32,706	26,937	19,656	7,461	7,136
Fidelity	18,065	......	......	......	......	......
German Alliance	58,000	51,931	48,851	49,141	53,679	40,493
German-American	605,290	580,086	471,375	467,957	452,342	363,575
Germania	168,114	154,145	149,430	155,464	122,022	105,687
Globe and Rutgers	101,536	106,846	102,490	125,994	86,024	44,712
Hamilton	14,914	8,518	11,527	......	25,429	24,004
Hanover	125,997	199,705	310,824	290,137	407,749	232,951
Home	476,249	486,647	467,656	522,341	501,049	452,734
Indemnity	7,547	10,272	5,827	6,870	7,879	8,423
Lumber	13,160	7,033	496	......	......	......
Nassau	89,924	53,200	47,033	41,736	32,977	21,640
New York Fire	......	......	40,138	33,557	29,640	24,618
Niagara	199,765	167,332	138,686	136,234	123,994	121,014
Northern	44,996	43,941	42,361	31,405	34,305	38,384
North British & Mercantile	20,678	19,987	13,356	17,216	15,502	12,597
North River	199,342	148,409	142,691	128,669	112,357	100,890
Pacific	34,084	26,721	33,375	20,062	15,341	......
Pelican	27,417	28,561	28,772	28,327	29,994	22,175
Peter Cooper	47,343	32,817	27,676	20,079	12,628	9,269
Phenix	190,911	173,659	173,774	170,881	130,632	123,682
Queen	80,935	86,322	69,554	68,850	67,492	60,163
Richmond	10,244	......	......	......	......	......
Stuyvesant	28,064	31,004	34,344	21,981	22,003	20,791
United States	40,375	......	39,590	23,952	36,544	31,006
Westchester	146,726	132,392	124,280	127,020	123,841	128,556
Williamsburgh City	146,108	135,258	98,885	90,208	74,607	45,054
Retired companies	......	28,688	46,327	58,830	277,029	250,445
Lloyds.						
Allied Underwriters	3,948	......	757	10,815	10,081	......
American Exchange Und'rs	4,061	......	......	......	......	......
American Lloyds	10,236	10,749	10,408	10,392	11,289	11,755
Associated Underwriters	......	......	823	10,984	10,267	10,205
Garfield Lloyds	6,776	......	......	......	......	......
Great Western Lloyds	6,106	6,426	4,508	4,789	4,411	4,450
Individual Underwriters	39,363	40,071	36,202	33,883	37,538	36,955
Isthmus Lloyds	2,147	24	24	......	1,469	3,997
Lumber Underwriters	862	433	339	290	......	......
Manufacturers Lloyds	5,364	3,010	2,151	2,107	3,600	13,379
Merchants Fire Lloyds	4,581	3,217	2,234	1,457	2,453	2,607
National Underwriters	4,748	4,719	3,880	4,346	4,121	......
N. Y. Fire Lloyds	18	......	......	......	......	......
N. Y. & New Eng. Und'rs	1,276	......	......	......	......	......
N. Y. Ins. Association	7,590	1,389	1,032	528	......	......
N. Y. and Boston Lloyds	2,206	2,679	3,211	1,882	4,088	4,183
N. Y. Recip'l Underwriters	29,623	20,403	13,079	10,570	6,950	6,942
North Am. Inter-Insurers	13,720	13,758	14,594	13,391	12,580	11,437
Union Underwriters	3,861	3,589	......	......	......	......
Retired Lloyds	......	......	......	2,050	23,572	15,820
NEW YORK STATE.						
Agricultural, Watertown	82,973	83,466	69,165	71,733	72,739	72,807
Albany, Albany	24,687	22,053	17,786	20,253	13,426	10,837
Buffalo Commercial	19,017	14,482	14,392	10,405	9,647	9,145
Buffalo German, Buffalo	34,705	23,114	22,202	17,424	11,004	11,882
Commerce, Albany	13,940	11,567	11,920	10,685	11,192	10,365
Dutchess Fire, Poughkeepsie*	21,939	......	......	......	......	......
Glens Falls, Glens Falls	48,358	32,640	21,049	12,734	12,195	13,650
National Lumber, Buffalo	5,227	3,252	......	......	......	......
Rochester German, Roch'r	22,920	18,571	16,340	9,854	16,783	15,241
Union, Buffalo	8,232	5,965	5,113	......	......	......
Retired companies	......	4,275	18,277	18,496	19,154	18,953
ALABAMA.						
Retired company	......	13,583	19,281	......	......	......
CALIFORNIA.						
Firemans Fund, San Fran	96,149	64,975	98,737	92,350	90,978	91,659
Retired company	......	5,478	14,523	12,946	14,579	13,487
COLORADO.						
Imperial, Denver	5,377	......	......	......	......	......
CONNECTICUT.						
Ætna, Hartford	210,623	199,236	162,193	158,816	171,757	142,742
Connecticut, Hartford	50,456	49,583	47,317	46,973	47,469	48,217
Hartford, Hartford	208,504	259,415	281,518	313,976	199,422	196,357
National, Hartford	146,273	133,142	121,362	133,816	131,657	130,625
Orient, Hartford	49,691	38,232	33,773	35,779	34,858	31,845
Phœnix, Hartford	182,693	130,785	103,450	105,297	96,878	72,900
Security, New Haven	52,259	33,450	32,189	29,017	31,114	32,839
DELAWARE.						
Delaware, Dover	43,355	39,627	......	......	......	......
Retired companies	......	......	......	......	......	1,277
DISTRICT OF COLUMBIA.						
Retired companies	......	......	11,478	9,626	29,350	13,640
GEORGIA.						
Atlanta Home	26,587	......	......	......	......	......
Georgia Home	39,744	26,232	32,790	36,878	32,296	......

*New company.

FIRE INSURANCE PREMIUMS IN NEW YORK CITY—Continued.

NAME OF COMPANY.	1907.	1906.	1905.	1904.	1903.	1902.
ILLINOIS.	$	$	$	$	$	$
Calumet, Chicago	8,120	11,726	4,881	......	......	......
German, Peoria	27,306	16,242	14,355	15,680	15,305	......
Ins. Co. of State of Illinois	7,829	......	......	......	......	......
Metropolitan, Chicago	14,167	11,482	......	......	......	......
Retired companies	......	69,243	95,306	90,387	71,475	69,865
INDIANA.						
Indianapolis	31,760	18,769	19,226	11,430	12,304	11,879
IOWA.						
Dubuque F. & M., Dubuque	7,517	6,390	......	......	......	......
KANSAS.						
Shawnee	38,825	......	......	......	......	......
KENTUCKY.						
Star, Louisville	12,944	40,642	40,542	13,293	......	......
LOUISIANA.						
Mechanics and Traders	18,279	14,188	15,459	13,321	12,864	9,322
Southern	30,939	......	......	......	......	......
Sun	20,056	......	......	......	......	......
Teutonia, New Orleans	30,926	9,973	18,751	18,472	20,135	20,356
MARYLAND.						
German-American, Balto	18,808	15,328	11,831	4,688	12,402	12,985
German Union, Balto	10,996	......	......	......	......	......
Retired companies	......	......	2,764	9,853	53,671	53,928
MASSACHUSETTS.						
Boston, Boston	125,851	84,689	78,359	66,383	57,604	58,095
Mercantile, Boston	......	17,206	22,883	25,215	23,017	32,162
Old Colony, Boston	29,032	......	......	......	......	......
Springfield F.&M., Springfi'd	125,778	103,877	103,362	100,045	98,328	97,470
Retired companies	...	......	18,713	14,943	19,737	37,969
MICHIGAN.						
Detroit, Detroit	37,594	27,253	19,658	21,852	22,947	20,484
Michigan, Detroit	23,829	13,398	12,430	8,998	9,720	10,768
Michigan Com'l, Lansing	60,841	43,912	......	......	......	......
MINNESOTA.						
Northwest'n F.&M., Minn'pls	13,782	......	......	......	......	......
St. Paul F. and M., St. Paul	64,005	56,310	46,269	45,030	40,739	38,442
MISSOURI.						
American Central, St. Louis	121,128	91,873	70,041	75,061	63,650	60,810
Citizens, St. Louis	14,187	23,949	53,488	55,963	37,008	32,114
NEW HAMPSHIRE.						
Capital, Concord	23,926	16,481	15,727	15,091	15,879	14,433
Granite State, Portsmouth	17,314	21,908	14,516	5,972	6,622	7,270
New Hampshire, Manchester	37,592	43,161	30,922	64,879	42,831	58,931
NEW JERSEY.						
American, Newark	157,104	72,360	66,733	67,669	45,002	34,241
Camden	62,140	35,078	35,124	30,314	27,472	28,037
Eastern, Atlantic City	18,992	12,791	5,467	......	......	......
Firemans, Newark	113,292	100,739	70,709	61,647	52,104	47,773
Newark, Newark	24,296	19,040	20,840	19,144	17,898	15,888
New Brunswick	23,945	24,509	......	......	......	......
New Jersey, Camden	82,474	27,520	......	......	......	......
Standard, Trenton	16,021	10,338	5,236	......	......	......
Retired companies	......	......	......	......	......	13,642
NORTH CAROLINA.						
Dixie Fire, Greensboro	29,209	......	......	......	......	......
North State, Greensboro	5,940	......	......	......	......	......
OHIO.						
Ohio German, Toledo	24,049	......	......	......	......	......
Western Reserve, Cleveland	28,439	22,020	......	......	......	......
PENNSYLVANIA.						
Allemannia, Pittsburg	40,799	32,746	29,620	28,062	26,692	21,859
Alliance, Philadelphia	17,362	13,837	15,290	......	......	......
Ben Franklin, Allegheny	26,703	15,129	24,934	......	......	......
County Fire, Phila., Pa	25,499	24,584	17,522	17,316	17,825	17,253
Delaware, Philadelphia	47,556	24,077	20,763	19,487	23,292	26,270
Farmers, York	13,097	9,634	8,842	7,411	6,482	4,395
Fire Association, Phila	135,684	108,260	112,913	119,296	118,416	75,937
Franklin, Philadelphia	29,297	22,756	13,178	12,556	13,861	13,972
German, Pittsburg	45,717	24,328	19,192	15,739	13,154	16,663
Girard F. and M., Phila	46,781	38,403	33,989	36,849	16,070	17,715
Humboldt, Allegheny	17,091	11,782	11,213	......	......	......
Ins. Co. of N. Am., Phila	112,307	94,105	93,510	92,941	109,426	104,678
Ins. Co. of St. of Pa., Phila	40,877	......	20,079	27,066	......	......
Jefferson, Philadelphia	55,734	34,616	......	......	......	......
Lumbermens, Philadelphia	34,493	30,663	23,744	23,270	19,829	21,870
Mechanics, Philadelphia	30,552	26,215	26,139	25,492	27,324	28,296
National, Allegheny	31,082	18,121	9,978	7,868	......	......
National Union, Pittsburg	64,195	27,739	35,350	38,188	25,036	20,117
Pennsylvania, Philadelphia	123,175	109,812	124,842	124,021	122,289	126,641
Reliance, Philadelphia	42,102	36,320	38,173	39,173	37,016	40,155
Spring Garden, Philadelphia	40,043	46,655	39,520	25,477	34,540	27,000
Teutonia Fire, Allegheny	20,870	19,804	......	......	......	......
Union, Philadelphia	36,355	31,300	26,018	24,471	24,704	27,944
United Firemens, Phila	28,031	28,937	32,265	31,692	31,341	34,549
Western, Pittsburg	15,515	11,040	14,219	13,369	12,756	13,007
Retired companies	......	......	33,980	26,772	30,973	57,019
RHODE ISLAND.						
Equitable, Providence	38,070	25,653	22,072	21,031	29,099	25,238
Prov. Washington, Prov	115,699	68,161	73,301	73,823	67,284	64,314
Rhode Island, Providence	18,304	......	......	......	......	......
VIRGINIA.						
Southern, Lynchburg	25,041	......	......	......	......	......
Virginia F. & M., Richmond	41,927	29,185	22,758	20,833	24,836	24,911
Virginia State, Richmond	33,120	18,817	18,075	12,009	11,290	9,352

FIRE INSURANCE PREMIUMS IN NEW YORK CITY—Continued.

NAME OF COMPANY.	1907.	1906.	1905.	1904.	1903.	1902.
WEST VIRGINIA.	$	$	$	$	$	$
German, Wheeling	18,587	15,272	......	......	......	......
WISCONSIN.						
Concordia, Milwaukee	28,884	26,717	23,719	25,438	24,319	21,199
Milwaukee Fire	12,149	10,541	12,481	6,863	9,330	9,281
Milwaukee Mechanics, Mil.	26,624	19,419	17,384	11,492	13,669	17,578
Northwestern National, Mil.	25,216	16,502	12,742	13,347	9,858	......
CANADA.						
British America, Toronto	91,345	92,794	70,703	61,915	56,381	41,478
Western Assurance, Toronto	102,472	126,768	106,401	109,271	103,497	88,093
GERMANY.						
Aachen & Mun., Aix-la-Chap	66,885	49,431	47,637	41,532	33,769	25,434
Hamburg-Bremen, Hamburg	150,687	131,478	121,947	127,886	53,228	46,247
Prussian National, Stettin	43,617	37,831	34,257	26,709	21,014	14,673
Retired companies	......	22,758	22,615	21,848	35,891	34,010
GREAT BRITAIN.						
Alliance, London	10,098	37,980	31,584	22,362	20,569	18,594
Atlas, London	64,755	54,812	59,436	40,155	63,934	62,012
Caledonian, Edinburgh	98,465	97,972	97,255	97,050	89,380	96,034
Commercial Union, London	145,769	166,696	139,807	167,870	119,707	113,744
Law Union & Crown, London	35,406	29,447	27,122	30,369	38,401	33,287
Liv. & Lon. & Globe, Liv'p'l	692,382	543,993	499,649	575,041	441,832	370,908
London Assur. Corp., Lon.	132,369	114,170	108,525	116,136	101,189	89,963
London & Lancashire, Liv.	163,726	134,956	126,620	146,118	129,891	127,860
N. Brit. & Mercantile, Lon.	341,962	286,332	270,886	298,434	281,167	283,629
Northern, London	151,056	104,295	102,067	99,689	102,100	86,359
Norwich Union, Norwich	89,837	82,556	59,061	84,585	88,160	77,385
Palatine, London	48,426	52,314	54,320	55,037	57,554	58,390
Phœnix, London	131,495	147,367	150,964	128,353	167,766	136,519
Royal, Liverpool	283,519	284,353	259,850	319,535	302,523	240,113
Royal Exchange, London	82,053	70,496	61,191	197,214	118,370	37,019
Scot. Union & Nat., Edinb'gh	204,582	170,233	117,608	162,244	160,733	183,881
Sun, London	188,107	164,369	159,712	142,811	116,411	109,116
Union, London	114,792	81,286	91,679	86,596	111,841	94,304
Retired companies	......	......	......	45,942	53,627	100,685
HOLLAND.						
Retired company	......	......	17,878	19,322	20,350	19,817
RUSSIA.						
Salamandra	45,509	37,234	19,493	17,528	60,252	9,276
SWEDEN.						
Svea, Gothenburg	26,798	25,289	20,042	18,848	19,104	20,341
Local companies	3,630,523	3,533,838	3,343,473	3,173,101	3,361,084	2,768,165
Other companies	7,928,677	6,420,389	5,907,862	6,204,224	5,694,569	5,211,713
Totals	11,559,200	9,964,227	9,251,335	9,377,325	9,055,653	7,979,878

—J. J. Kenny has accepted the management of the recently opened Pacific Coast branch of the British America and the Western Assurance of Toronto.

—An effort is being made to organize a fire insurance company at Asheville, N. C. It is proposed to start with a subscribed capital of $200,000 and a surplus of $50,000, of which half to be paid in the first year.

—Transfer and storage men of Ohio, Indiana and Michigan are considering plans for the formation of a mutual fire company. A. Huston of the Buckeye Transfer and Storage Company is leading the movement.

—The new steel and concrete office building of the Trustee Company, on Third avenue, Seattle, is beginning to take form, and will soon be a candidate for insurance. The class of construction at present going on in Seattle is excellent from a fire insurance standpoint.

—The laxity of the insurance laws in the State of Washington is causing the customary crop of wild-cats under such conditions. The legitimate Washington companies hope to secure much needed legislation on this subject at the next session of the legislature; at the last session they were kept busy defending themselves against excessive taxation and other contemplated legislative absurdities.

—Among the attractions offered in the September Century are: "Ethel Barrymore as 'Madame Trentoni,' in Clyde Fitch's Play 'Captain Jinks,'" frontispiece; "The Mind Reader," a story, S. Weir Mitchell, M. D.; "The Rubber-Tired Boy," a story, Charlotte Wilson; "Excavations for Railroad Terminals in New York City;" "The Telegrams to Opper," Beatrice Hanscom; "Come and Find Me," VI., Elizabeth Robins; "A New Discovery in Egypt, the Recent Uncovering of the Tomb of Queen Thiy," Arthur E. P. Weigall; "The Palace of Amenhotep III., Husband of Queen Thiy," Robb de Peyster Tytus; "Whitman in Old Age," Horace Traubel; "The Alien," Margaret Horner Clyde; "Lincoln's Last Days" (Lincoln in the Telegraph Office, V.), David Homer Bates; "Racing in Its Relation to Horse-Breeding," John Gilmer Speed; "The Shuttle," XI., Frances Hodgson Burnett; "Underlying Japanese Humanities," Richard Barry.

—The Order of Unity of Pittsburg reports a good increase in new business for the month of July; also that new applications received during the first ten days of August amounted to nearly a quarter of a million dollars. Secretary Charles H. Coons has been spending a fortnight with local representatives in Northern Pennsylvania and several new men have been added to the field force. Some first-class territory in which the order already has a satisfactory start and the best prospects for business is open to two or three reliable men.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

At the last meeting of the board of trustees of the New York Life an administration ticket was nominated for election on April 8, 1908. All the nominees are members of the present board, with the exception of William R. Innis of New York, and Rowland G. Hazard of Peace Dale, R. I.

A. B. Mason, general agent of the Empire State Surety Company at Nashville, Tenn., was in town last week.

Superintendent of Insurance Otto Kelsey, of New York, has issued a corporation certificate to the Eastern Life Insurance Company of New York City, authorizing it to transact the business of life insurance as provided for in sub-division 1 of section 70 of the New York insurance law, with a paid-in capital of $100,000 and $50,000 surplus. The incorporators and officers of the company are: John S. Hanson, president; Charles A. Hanson, secretary, and William Midgley, Chas. A. Anderson, Herbert Reeves, Max Helman, Moses Napelbaum, Frank L. Eschbach, Irving Emmons, John C. Hanson, A. A. Balkly, Charles E. Hammond, Watson B. Robinson, Afton Church, William A. Cross and George Hasking, directors.

THE MIDDLE STATES.

—The insurance firm of Muir & Haughton of Philadelphia has been dissolved.

—The Mutual Benefit reports a gain of $2,678,193 in new business during the first seven months of 1907 over the same period of 1906.

—When Congress convenes in December, Col. Le Gage Pratt, recently elected to membership in that body, will resign as agency superintendent of the Mutual Benefit Life.

—The Reliance Life of Pittsburg wrote $671,800 of business during the month of July. The paid-for business and all other items show gains over the corresponding month last year. The record is good, considering the hot weather and the vacation month.

—The Union Central Life has issued partnership insurance on the lives of five officers and directors of the Leicester and Continental Mills Company of Philadelphia. The insurance is payable to the firm, and the policies are in amounts of $100,000 each, making a total insurance of $500,000 and annual premiums of $26,168.

—At the request of A. Ellinger, a tontine policyholder at Racine, Wis., of the Equitable Life of New York, an actuary will arrive in New York shortly with a corps of assistants to examine the tontine settlements of the Equitable for a period covering twenty years. The examination is to be conducted by order of the Wisconsin Supreme Court.

—A charter has been issued to the Scranton Mutual Life Insurance Company. The officers are: J. S. McAnulty, president; W. E. A. Wheeler, vice-president; M. F. Larkin, treasurer, and John R. Williams, secretary. Among the directors are former Representative W. L. Connell, Major Ezra H. Ripple, Rufus J. Foster, A. J. Carnell, Seth T. McCormick, C. Larne Munson and W. E. Harrington.

THE NEW ENGLAND FIELD.

—The Hartford Life reports that July was the best of any month during 1907. The issued insurance was larger than during any one month since 1904.

—C. Reginald FitzGerald, B. A., A. I. A., A. A. S., of Worcester, Mass., and lately of Toronto, Canada, has been appointed assistant actuary of the State Mutual Life.

—The American Investment Securities Company, the holding company of the Columbian National Life, has issued the following statement of its condition on July 16, 1907: Assets, 1907—assignment of portions of life insurance premiums, $2,776,402, increase $484,476; cash and debts receivable $58,792, decrease $124,626; investments and securities, $821,023, increase $102,991; total, $3,656,217, increase $462,841. Liabilities, 1907—capital stock, $2,823,220, increase $123,140; accounts payable, $22,396, increase $22,396; instalment payments for capital stock, $170,250, increase $170,250; balance profit and loss, $186,688, increase $63,485; suspense, $134, increase $134; surplus, $241,529, increase $11,036; total, $3,656,217, increase $462,841.

THE WEST.

—The Order of Frontiersmen of Evansville, Ind., has become a thing of the past.

—The late S. M. Stephenson of Menominee, Wis., carried $100,000 life insurance, with accumulations of over $35,000.

—Judge McPherson of the United States District Court at Topeka, Kan., has denied the application of the Mutual Life of New York for an order to exhume

the body of the late Lucius H. Perkins of Lawrence, Kan., who held a policy of $100,000 with the company.

—The Security Life and Annuity of Chicago and the Volunteer State Life of Tennessee have been licensed in Oklahoma.

—W. H. Surles, general agent of the Northwestern Mutual Life, died on August 20, following a stroke of apoplexy.

—The Meridian Life and Trust of Indianapolis has had to increase its home office space to accommodate its growing business.

—The Minnesota Department has notified the Commercial Life of Chicago that it must cease issuing stock options to its prospective policyholders.

—The Universal Life of St. Louis has been licensed and has deposited $110,000 with the Insurance Department. P. M. Stearns is president of the company.

—The Equitable Life of New York, New York Life and Fidelity Mutual Life have opened offices in Oklahoma City, from which point they will take care of their Texas business.

—The Peoria Life Association is being reorganized as a legal reserve company, with a $500,000 authorized capital. The new company will be known as the Peoria Life Insurance Company.

—S. C. Bolling, until recently executive superintendent of agencies at the home office of the Equitable Life, has been appointed manager of the ordinary department of the Prudential at Chicago.

—The special annuity contract recently put on the market by the Great Western Life Insurance Company of Kansas City has been declared invalid by Superintendent of Insurance W. D. Vandiver.

—W. J. Smith and Hugh Morton, general agents for the Franklin Life in Tennessee, have resigned and are now associated with C. J. Hebert, general agent of the State Mutual Life of Rome, Ga., in Tennessee.

—A petition has been filed for a new trial of W. F. Bechtel, the convicted former president of the Northwestern National Life. Affidavits have also been filed alleging that an attempt was made to influence the jury.

—The Republic Life of Chicago has been licensed by the Illinois Department. The company will be financed by the Central Life Securities Company. The officers are: President, B. F. Rhodus; first vice-president, Thomas Rhodus; second vice-president, E. T. Rhodus; secretary, W. L. Sherrill.

—The estate of the late S. M. Stephenson, the rich lumberman of Menominee, Mich., is now settling with life insurance companies. Mr. Stephenson held policies aggregating $100,000, and, with accumulations, $135,000. The largest policies were those in the Northwestern Mutual and New York Life.

—The Ohio State Life held its first meeting of agents of the State at its offices on August 17, when some forty agents and officers took luncheon together. The day was spent in getting better acquainted and discussing plans for the future. The company is now operating in Ohio and Indiana and expects to enter three other States very soon.

—Scandia Life of Chicago has been engaged in organizing its agency forces in Indiana during the past month, and has now opened offices in Fort Wayne, Valparaiso, Gary, Grovertown, Chesterton and Bristol. This company wrote a little over a million of business last year, and at the present rate will about double that amount during 1907.

—The Majestic Life Assurance Company of Indianapolis expects to begin business about September 1, with a capital of $100,000. Officers have been elected as follows: Richard D. Hughes, president; Minor A. Odenthal, vice-president; John S. Maholm, second vice-president; Michael M. Mahoney, secretary, and William S. Tomlin, M. D., medical director. The company will take over the business of the Majestic Life Insurance Company.

—The Cleveland Life Insurance Company of Cleveland, Ohio, has deposited $100,000 with the Insurance Department preparatory to commencing business. The officers of the company are: President, Peter W. Ward; vice-president, N. P. Goodhue; secretary, W. S. Shelton; treasurer, E. W. Doty; medical director, H. S. Brainerd, and superintendent of agents, Wilbur Wynant. The company is capitalized for $125,000, the stock being sold at $150.

—Franklin B. Mead of the Minnesota Life will resign from that company on September 1 to become actuary and office supervisor of the Kansas City Life. Mr. Mead's first introduction to the business was through field work, but he later entered the University of Michigan, where he devoted himself to the technical study of insurance as given at that institution. After graduating, he joined the Fidelity Mutual Life of Philadelphia, and resigned from that company to become assistant actuary of the Minnesota Mutual.

—The report on the examination of the Pacific Mutual Life made by S. H. Wolfe, consulting actuary of New York, has been transmitted to the officials of that company. The outcome of the examination, which was brought down to the close of 1906, is highly satisfactory to all concerned. The assets are reported as being in excess of $12,500,000, while the surplus on policyholders' account is given at $1,306,349. Mr. Wolfe says: "During the past fifteen months this company has been put to a severe test. The radical reorganization which has taken place in its management and the catastrophe in San Francisco, together combined to develop the weakest points in its method and administration. It is believed that the figures given indicate the bed-rock condition of the company."

—C. W. Dorsey, vice-president and general manager of the Inter-Southern Life of Louisville, Ky., has just returned to the home office from a month's visit to Texas, where he has been assisting Houston-Shaw in the organization in that State. The Inter-Southern will probably enter West Virginia and Georgia at a very early date.

THE SOUTH.

The State Mutual Life Insurance Company of Rome, Ga.

The semi-annual statement of the State Mutual Life Insurance Company of Rome, Ga., as of June 30, 1907, shows that a very large volume of business is being placed on the books. In fact, the proportionate growth is much larger than that of last year. The figures of the statement show for the six months: premium receipts of $923,645 and a total income of $942,412. Payments to policyholders amounted to $93,492, and there was saved from the income $336,524. The admitted assets have increased to $959,612, while the surplus of $139,744 shows a gain of $11,465 since January 1. New business written in the seven months ending with August 1 is reported at $21,695,450, over $2,000,000 of which was written in July. In the year ending with June 30 the insurance in force increased $27,203,073 and now stands at $37,867,894, representing 11,744 policies.

—The Business Mens Life of Louisville, Ky., has decided to go on a legal reserve basis, with an authorized capital stock of $200,000.

—The Metropolitan Life is said to have decided to make a test case of the validity of the Robertson act of Texas by refusing to file the reports required by that statute.

—The Southwestern Life of Texas is now basing its reserves on the American Experience Table, with 3½ per cent interest. The company formerly assumed the 4 per cent rate.

—The John Hancock, which does not transact an insurance business in Texas, but which does loan considerable money in that State, has won in its contention that it has the right to do a loan business while not writing any insurance. The Attorney-General sought to restrain the company from operating in Texas on these lines.

—G. A. Riviere, formerly with the Equitable Life of New York at Mobile, Ala., and the Consul of France at that port for the State of Alabama, is now with the South Atlantic. Mr. Riviere has for many years been widely known throughout the South as a personal producer. Previous to his connection with the Equitable, in 1903 he was with the New York Life, and won prizes in all contests in which he entered, and was vice-president of the $200,000 Club of that company. David Krauss, special agent for the Equitable at Mobile and well known throughout Mississippi and Alabama as a producer of the highest possible grade of business, is also with the South Atlantic. The offices of the Equitable at Birmingham show that Mr. Kraus' premiums on 1906 exceeded $12,000.

MISCELLANEOUS LIFE NEWS.

THE NATIONAL ASSOCIATION OF LIFE UNDERWRITERS.

Eighteenth Annual Convention a Success—Instructive Papers and Addresses—Harmonious Election—Amendment to Constitution—Enjoyable Entertainment by Canadians—Banquet Winds Up an Enthusiastic Meeting.

Enthusiasm was a dominant factor in the several sessions of the National Association of Life Underwriters held at Toronto last week—that sort of enthusiasm which laughs at obstacles and inspires men to proceed with their labors in the confidence that the right will ultimately prevail. While in past years the association has had important matters to discuss and definite action to take, the gathering this year was imbued with a spirit of determination to place itself firmly before the public as one entitled to respectful consideration. The laborer is worthy of his hire was the keynote, and the majority of the delegates affirmed that under present conditions the agency forces could not be successfully maintained or recruited. Around that topic most of the discussion centered, not only on the floor of the convention, but in the corridors of the hotels, on the street cars and in fact wherever two or more delegates met. As a result the delegates went to their homes satisfied that their brethren in all parts of the North American continent held the same views and were willing to work hand in hand for an amelioration of what they considered onerous restrictions. There were some strong arguments advanced on the other side, but while they seemed perfectly plausible they did not serve to change many opinions.

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The sessions opened most auspiciously on Wednesday morning in the handsome convocation hall of Toronto University, and after prayer by the Rev. Dr. Potts, a number of welcoming addresses were made. Honorable Emerson Coatesworth, Mayor of Toronto, was both happy and humorous in his remarks and took the fancy of the delegates when he warned them to remember that there were no horse cars in Toronto, and to wait until the car stopped. David Burke of Montreal, as president of the Life Officers Association of Canada, followed

the Mayor, and L. Goldman, managing director of the North American Life spoke for Toronto. H. C. Cox, as chairman of the local entertainment committee, made a number of announcements, and an ode of welcome by Thomas J. Parkes of Montreal brought the convention to the regular order of business. From that time on the program was the chief consideration, even the lavish entertainment provided failing to draw the delegates from their work until it was finished. The sessions commenced early and were lengthy, the final session being extended until all business had been disposed of, so that lunch was not partaken of by many before three o'clock Friday afternoon.

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The roll call of delegates showed that there was a very large attendance, and but few local associations were unrepresented. New York and Pittsburg carried off the palm for the largest delegations, while an enthusiastic welcome was accorded to the representatives from far off Los Angeles and Oregon. The delegation from the City of the Angels though comparatively small in numbers was extremely active in canvassing the delegates for votes for that city as the place for the next convention, and although they won out by only a fraction of a vote, it was enough to make all admire their persistency. Badges, watch-fobs and miniature boxes of oranges were distributed in unlimited quantity and everybody in town knew that Los Angeles was after something.

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The reports of officers, and addresses made by invited speakers and delegates were unusually interesting, as will be seen in the liberal extracts presented in our issues for last week and this week. A particularly high compliment was paid Charles W. Pickell of Detroit, in a request that he return to Toronto and repeat his address on the Magic Key, which met with such a warm reception when read before the Canadian association on Tuesday. Mr. Pickell appeared on Friday and was most heartily greeted while his paper was listened to with the closest attention. Some excitement had been aroused prior to the gathering of the convention by the publicity of the topic assigned to Charles W. Scovel. The title was, Is Life Insurance Doomed, to which a facetious delegate suggested there be added, or is Scovel damned. However, the conclusions of the address were to the effect that there was no reason that life insurance should be doomed if efforts were properly directed to having it put on a safe and sane basis and legitimately supervised. The addresses of Henry H. Putnam, secretary of the National Association of Local Fire Insurance Agents; T. B. Macaulay, actuary of the Sun Life of Canada, and J. A. Goulden, general agent of the Penn Mutual Life of New York, were all exceptionally able, giving the delegates much food for thought as well as valuable information, while that of Commissioner Rittenhouse of Colorado met with the hearty approbation of all.

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The topic assigned for the five-minute discussions proved among the most interesting features of the convention. This year there were no theories to discuss, but actual living conditions, and the members made the best of their opportunities. The future of life insurance, if existing conditions continue, was a topic that brought out many speakers, both optimistic and pessimistic. William Tolman of Connecticut, he of the strident voice and emphatic gestures, was of the optimistic variety, believing that the opportunities for making money in the business were as great to-day as ever. On the other hand, William Van Sickle of Detroit was convinced that recent legislation was a hardship, and had served to materially reduce the agency forces of the companies. Col. Goulden of New York, H. L. Remmel of Arkansas, Major Kendall of Cleveland, A. J. Birdseye of Hartford, J. P. Stevens of Portland, Maine; J. M. Dickey of Erie, Pa.; Edwin W. Heisse of Baltimore, and C. J. Edwards of New York, all took part in the discussion, which at times waxed rather warm. A statement that the publicity given to President McMullen's address had done more harm than good to the business was warmly disapproved of, and at the conclusion of the speaker's remarks, the president was tendered a hearty ovation.

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Another topic that brought out considerable discussion was "Reflections and observations on section 97 of the New York laws." That section provides for the limitation of expenses of life insurance companies, and especially restricts the number of renewal commissions that can be paid to agents. There seemed to be a unanimous opinion that the scale of first year's commissions which the limitation provides for is ample, but there was decided opposition to the small number of renewals. The point was made that sub-agents could not be secured and educated in the business when there was such a small return to the general agent in future years for his labor in training the men. The discussion was considerably animated, and there was manifest a strong desire to take some steps toward effecting a change in the law, though there was at the same time a feeling expressed that it might be better to wait until the law had been in operaion for a sufficient length of time to prove its hardships. Those opposed to this view argued that already sufficient evidence had been produced to show that it was impracticable and opposed to the proper conduct and extension of the business.

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Members of the executive committee had several strenuous sessions during the course of the convention and immediately preceding it, the recommendations they made being subsequently approved by the convention. The most important subject before them related to a proposed change in the constitution relative to membership. A lengthy document had been submitted by the Minnesota delegation, which was at first turned down by the committee in connection with its annual report. Later on it was brought up again, and as a result of careful deliberation, was submitted to and adopted by the convention in the following form:

Resolved, That the constitution be amended by substituting the following for Article 9:

Article IX. Membership—Any life underwriters or agents' association now possessing membership in the national association may continue to hold such membership, subject to conditions heretofore existing. New memberships, after the adoption of this amendment, shall be governed by the following:

Any life underwriters or agents association consisting of the representatives of regular old line life insurance companies, shall be eligible to membership herein, on approval of its constitution and by-laws, by the executive committee, and the payment of annual dues and subscribing to the constitution and by-laws of this association.

Provided, That the constitution or by-laws of the association seeking membership herein shall exclude from its membership the representatives of companies which practice company management or control through separate promoting or managing companies not responsible to or controlled by policyholders and the Insurance Department and also excludes the representatives of companies which use the "advisory board" or "agency company" or "stock with policy" schemes, or any plan or combination by which anything but a legitimate feature of a life insurance policy is offered as an inducement to take insurance or who depart in any way from the true old line principle of a scientifically adequate reserve consisting of genuine assets.

Resolved, That the National Association of Life Underwriters, in view of the notable increase in the number of life insurance companies recently organized, deems it timely to place itself on record, as extending the right hand of fellowship, now, as heretofore, to the agents of all properly conducted, genuine, legal, reserve companies, new and old, doing business anywhere in the United States or Canada, and at the same time recommends that all local associations should exercise special care not to admit to their membership agents of those companies that by devices of corporate form, seek to evade responsibility and accountability; or that inflate their assets by the device of ante-dating policies of new insurance or otherwise; or that practice extravagance under the cloak of valuation decrease; or that indulge in board or stock schemes or other deceptive and irregular field practices; or that are promoted or managed by men of questionable integrity and good faith.

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During the early days of the gathering there was considerable curiosity manifest as to who would be the next officers. Not only was there to be a president elected, but Secretary Clark, after serving three years, had announced that he could not possibly take the office for another year. The nominating committee had a busy session but finally managed to draft a report which was satisfactory to all in interest. When submitted to the convention it was accepted without a dissenting voice and the following officers were declared unanimously elected.

President, Charles Jerome Edwards of New York; first vice-president, Herbert C. Cox of Toronto; second vice-president, William H. Herrick of St. Louis; third vice-president, John W. Whittington of Los Angeles; secretary, William A. Wait of Detroit; treasurer, Eli D. Weeks of Litchfield, Conn.

Members of executive committee for three years—J. K. Voshell, Baltimore; Lester V. Bailey, Worcester, Mass.; Edmund E. Rice, Newark, N. J.; Wm. P. Draper, Springfield, Mass.; J. E. Myers, Minneapolis, Minn.; Fred A. G. Merrill, Buffalo, N. Y.; J. Putnam

Stevens, Portland, Maine; John H. Quinlab, Newburg, N. Y.; Wm. Tolman, Bridgeport, Conn.; W. O. Cord, Dayton, Ohio; John C. Drewry, Raleigh, N. C.; E. R. Putnam, Rochester, N. Y.; Geo. B. Cooper, Syracuse, N. Y.; F. E. Hitchcock, Springfield, Ill.; H. A. Craycroft, Dallas, Texas; H. L. Remmell, Little Rock, Ark.; E. H. Lestock Gregory, San Francisco, Cal.; Geo. H. Allan, Montreal, Can.; A. Homer Vipond, Montreal, Can.

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Charles Jerome Edwards, the newly elected president, is a prominent representative of the Equitable Life of New York, having the largest office of the society in the Borough of Brooklyn. He has been with the company for over twenty years, is a large producer and a wonderfully capable manager. He possesses executive ability of a high order, ean make a good speech, and is at present president of the Life Underwriters Association of New York. He took a prominent part last year in the movement to modify the bills introduced at the recommendation of the Armstrong committee, and can be depended upon to safeguard the interests of the National Association at every point. There is no doubt but that he will prove himself a capable successor to the line of distinguished representatives of the agency field who have preceded him, and both the National body and the New York association are to be congratulated on his election. First Vice-President H. C. Cox is connected with the Canada Life, being a son of the distinguished president of that company. He has won his spurs by his own merits, and the confidence reposed in him is shown also by his election as president of the Canadian Life Underwriters Association. The new secretary is Will A. Wait of Detroit, where he represents the Phoenix Mutual Life. He is a man of imposing physical appearance, and while realizing the arduous nature of the task committed to him approaches it with a determination not to let the office fall below the high standard set by those who have hitherto held it. The association has become so used to electing Eli D. Weeks of Litchfield, Conn., to the office of treasurer that no other name is now considered, so that he enters upon the thirteenth year of his official service. The chairman of the new executive committee is Charles W. Scovel of Pittsburg, the value of whose services as president in 1905-6 will never be forgotten. Under his chairmanship the executive committee will splendidly maintain the dignity of the association.

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The entertainment provided for the association by the underwriters of Canada was so lavish in its nature, so bounteous in its hospitality and so cordial that it can never be forgotten. Every member of the local association, and indeed every member of the Canada Life Underwriters Association, was so unremitting in caring for the comfort of the visitors that only the most pleasant memories were carried away, and all are anxious to see the Queen City of the Dominion again. A chance to see the city was furnished on Wednesday afternoon, when over five hundred persons were given a two hours' drive through the most beautiful sections. That same evening a reception was tendered by H. C. Cox and wife at their beautiful home, Ennisclare. This was very largely attended, and most thoroughly enjoyed, the illuminations and the band of the 48th Highlanders proving an attraction from which it seemed impossible to get away. On Thursday afternoon, Commodore and Mrs. MacDonald gave a garden party at the grounds of the Royal Canadian Yacht Club, where nothing was left undone to promote the comfort of the large number of visitors. On the same evening a moonlight sail on the lake occupied the time of the delegates and guests for some two hours, the band being again a conspicuous feature of the evening's enjoyment. Other means of entertainment were also provided for the guests and their ladies at various times during the three days of the session, so that no one had occasion to complain of ennui.

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The final event of the convention was a banquet given under the auspices of the National Association on Friday evening. This was as well attended as the sessions had been, and quite a number of ladies also partook of the dinner. C. W. Scovel made an admirable toastmaster, and at the appropriate time proposed the toast to The King, followed by that to The President. The speeches were of a very interesting character, and although the gathering was prolonged to midnight, very few left their seats until the strains of the National Anthem proclaimed the end of the eighteenth annual session of the National Association. The retiring president, F. W. McMullen, spoke briefly and was followed by the Lieutenant-Governor of Nova Scotia, Hon. Duncan C. Fraser, in a most entertaining address. The Rev. Canon Cody of Toronto was particularly happy in responding to the toast of Canada, its past, present and future, and convinced all his hearers that Canada affords abundant opportunities for all who desire to work for its upbuilding. He was followed by Hon. George A. Cox, president of the Canada Life, who took for his theme, Fifty Years of Life Insurance in Canada. He referred to his having written the first policy as an agent in 1861, since which time he has insured the children and grandchildren of those same policyholders. Other speakers were Hon. Benjamin F. Crouse, Insurance Commissioner for Maryland; Harry Cockshutt of Brantford, Ont., president of the Canadian Manufacturers Association, and the newly elected president, C. J. Edwards. During the evening the proceedings were diversified by songs by E. H. Bisset, Arthur Blight and Bert Harvey, each of whom was cordially received.

EXTRACTS FROM PAPERS AND ADDRESSES.

From Address of Welcome by David Burke, A. I. A., F. S. S.

The education of public men to a better understanding of life insurance must be earnestly undertaken and maintained with all the diligence at your command. Conferring together for mutual advancement and the protection of your mutual interests, is a right not denied to any association of men having educational and beneficial objects in view. Such conferences imply no purpose that is not for the benefit of the State. * * *

A fuller knowledge of life insurance is essential to dispel much of the misunderstanding that has prevailed as to its objects and the motives for its existence. * * *

Life insurance is not a mystery. It is possessed of no intricate problems to the mind of the serious and conscientious student of the business that cannot be solved. It has, however, problems for the mind that has not acquired knowledge of the business, or has not studied out the effect of its varied benefits. While such lack of knowledge continues to exist, particularly with public men, there may recur uncharitable criticisms, and perhaps uuwise legislation, until they become more enlightened by a better and fuller understanding of the subject. * * *

The institution of life insurance is of such a nature that to properly fulfil its mission, not only must the work of construction go on, but there must continue, as it were, the work of reconstruction; a replacing of waste; a restoration of the structure where it has been injured by unwise laws, or the vicious criticisms of selfish interests, in the guise of public good. Such work must be continued, so that its benefits and its protection may continue to be offered to everyone whose support, comforts of life, and education is dependent on the continuance of the life of the natural provider.

From an address by Samuel Goldman, managing director North American Life.

The field worker is not ouly an absolute necessity to the well-being of the companies, but also to the nation, since we know that only by and through the work of the active agent are people induced to make proper provision for those dependent upon them, their business or their estate, and that in no other way can this be accomplished. Some innocent people believe that life insurance should be conducted without the intervention of the agent, but we do not find that any of those people are coming to the home office and asking for insurance, and I do not look forward in my time to any successful or progressive company being able to perform the duties entrusted to it without the assistance of agents. * * *

I believe that the legitimate life insurance agent earns every dollar he receives in a way few earn it. I have often been told by men who have been insured that they felt that the agent who induced them to take out their first policy had done a great work and was fully entitled to whatever remuneration he received, and I confidently believe that the majority of the people insured regard the agent in the same way. * * *

DOES PRESENT AGITATION DOOM LIFE INSURANCE?

"Is Life Insurance Doomed?" was the question put by Charles W. Scovel.

Let me both shorten and emphasize the topic by putting it thus: "Is Life-Insurance Doomed?" I confiue the question, of course, to the United States and Canada, our own bailiwick, and I mean by the word "doomed," not necessarily is life insurance doomed to death, but is it doomed to slavery under the lash of many diverse and perverse local statutes, instead of its free scientific development under nature's law of life and death and the world-wide law of supply and demand. Is it doomed to keep falling behind in the march of human progress, instead of keeping up the marvelous stride that has in so few years brought it to the front rank? Is it doomed to be more and more cut up into geographical fragments, doomed to be more and more cut off from all people that do not themselves seek it out, instead of maintaining its rightful place next to church and state as one of the universal institutions that reach out their hands to serve the individual, the family and the community?

I answer, unhesitatingly, yes. Life insurance on this continent is thus doomed, if (that "if" is a precious word sometimes) if, I say, the laws governing it are to continue to be made and kept in force at the dictation of the doctrinaire and the demagogue, and in defiance of the expert. * * *

For life insurance is, first and fundamentally, a true science, embodying nature's laws of life and death just as the science of physics embodies nature's laws of force and matter. The law of mortality dominates the daily transactions of life insurance. Aimed only by taking an interest rate certain to be earned, that scientific law precisely calculates

and sets apart the legal reserve, which amounts to no less than eighty-four per cent of the nearly $3,000,000,000 now held by the 138 companies. That eighty-four per cent is the precise amount theoretically required, together with future premiums, to pay every outstanding policy as it falls due through the many years to come without insuring a single new risk. No other business or profession is, to anythiug like this extent, controlled by an exact science. * * *

Now your true scientist uot only knows what he knows, but also knows what he does not know—and is always seeking humbly, eagerly, to learn more. It is your ignoramus or hobby-rider who is cock-sure about things. Here lies the deepest distinction between the expert and Mr. Reformer in dealing with these life insurance problems. * * *

The savings element in life insurance—often misunderstood by calling it "investment"—reinforces tremendously our efforts to get men to make any provision against death. The "die to win" idea is in itself repulsive. The idea of laying up money against all future hazards, those of middle life and old age as well as of death, is strongly attractive. A very large proportion of the millions of policies that now do protect dependent ones against the disaster of death would never have been taken on a merely "die to win" basis.

What has Mr. Reformer done with this vitally important savings element?

He has sharply discriminated against it. To say nothing of other freak laws, or of other adverse provisions of the Armstrong laws, the artificial expense limitations upon all companies doing business in New York have required a most unwise grading of the commissions on the various kinds of policies. The agent is paid a much larger sum if he induces his client to put his insurance money into a low-premium term policy with no savings element at all, or into an ordinary life policy with but little savings, than into a limited payment policy where the savings are large, or an endowment policy where they are largest. The agent's pay increases just in proportion as the savings element in the premium decreases, and the relative differences are extreme. What more could the law do, short of direct prohibition? * * *

Life insurance is meant to be, and should be, extended to the entire population. Already it exceeds in extent any other form of business co-operation. No other branch of busiuess activity has brought together so many millions of people into definite, contractual co-operation, for transactions involving so many billions of dollars, and stretching out so many years ahead, and yielding such incalculable values, both material and spiritual, to family and community. * * *

In conclusion, let me put the question once more—this time without any "if's." Is life insurance really doomed? I answer with all my heart: No, a thousand times, no! * * *

It is for us, brother agents, to help strongly in bringing this appeal before the bar of public opinion, through talks with the people we daily meet, through the press, and through any legislators we can teach. Public opinion is already turning in the right direction. So sure as the sun will rise in the heavens will the people sweep away these freak laws whenever they realize what have been, and will be, their disastrous results to the protection needed by depeudent families.

A year and a half has passed since the Armstrong hearings closed; the excitement has died away and people have more confidence than ever before in the solvency and stability of the companies. Yet the new insurance in the half year since the new laws took effect has been even less than in the same period immediately after the investigation, when at its lowest ebb in many years. Six hundred millions of dollars is a low estimate of the present shortage in the people's insurance, counting lapses and decreased new issues. That shortage still continues to get worse, for the new insurance is not now keeping pace with the growth in the population. Already this shortage means that fully a million and a half dependent ones who were or would have been protected by life insurance are now exposed to disaster without it. * * *

FROM ADDRESS OF COL. J. A. GOULDEN.

The officers and trustees of our companies, in the main have been true to high mission; many have been derelict—aye, some dishonest—in the past; but taken as a whole the life insurance companies have been faithfully and honestly managed. The occasion of wrongdoing has been largely due to what has been described as the "system," from which no financial operations have been exempt. It has thrown its vicious tentacles more or less over all branches of human industry, and in a particular manner has it taken hold of the railroad, steamship, mining, manufacturing, oil, coal, banking, and even the necessaries of life in the way of food products. * * *

The general public finds it difficult to exactly place or classify the work done by an insurance agent; he is variously supposed to have either a profession, a trade, an occupation, or simply work to do. But after years of experience I am convinced that his calling is a duty, and that he is engaged on a mission in the highest sense. * * *

But the work of the insurance agent bears no mean resemblance to that of the foreign missionary. He is generally received with the cold shoulder, and the welcome he gets is very conspicuous by its lack of warmth and cordiality. Every man's hand seems to be against him, and every possible obstacle is thrown in his path; the average man would gladly contribute to a fund for protection against the visits of insurance agents if he thought the fund would accomplish its purpose. And yet, after an agent has actually fought his way into a man's office, induced him to grant an interview, and after many difficulties has sold a policy, the insured thanks him for having persuaded him to do a good deed. He has earned the gratitude, if not the friendship and affection, of his new convert. The agent's trials then receive their reward. * * *

There could have been no business but for the agents; if it were not for them, insurance would still be a mathematical possibility existing only in the minds of the actuaries. And as long as human nature remains as we know it, insurance will never be written except through personal solicitation; even if men reach the point where they will walk into the offices for their insurance and thus dispense with the agent, it will still be true that it was the years and generations of education installed by the field representatives which would make such an ideal state possible; and gifted must be the peu to adequately write the history of the trials and sufferings which it cost the agents to instil that education. * * *

I feel certain that the greatness of our profession will triumph over all obstacles, those created by the public and the lawmakers, as well as those in our owu ranks. Just as the agents have made the companies and created the business, so will they continue to carry forward the work in future; by conquering their own discouraged state of mind, by the determination to do or die, by greater efficiency and by closer and more aggressive organization, they will very soon surmount all difficulties and receive the material and substantial rewards which are now withheld and seem so visionary. The public will come to learn the true nature of the agent's calling, his true place in the production of business, and will exalt him accordingly; and from being a scapegoat for everybody, he will grow into the command of the situation and be able to dictate terms. * * *

SECTION 97 OF THE NEW YORK LAW.

The iusurance laws of New York adopted on the recommendation of the Armstrong committee, and which went into effect at the beginning of this year, were revolutionary in their character. To correct certain evils which had been brought to light in connection with the management of a number of companies, remedies of the most drastic kind were administered. It would have been a happy circumstance if the legislature in deliberating upon the measures proposed by the Armstrong committee could have freed itself from excitement and political influence and given to the subject calm and judicial consideration.

But it is Section 97 that is under consideration at the present time, and it is this section which affects the agents most directly. I have read the arguments both pro aud con in relation to the effects of this section upon the agents and the business, but I cannot adopt either view in its entirety. Time enough has not elapsed to form a correct judgment. It goes without saying that we all desire larger first commissions and more than nine reuewals. It is also true that many of the companies are not writing the volume of business they formerly did, owing to the withdrawal of many ageuts from the business. But recollect that in 1906 there were three hundred millions less insurauce written than in 1905, and the then high first commissions were being paid to practically the same large number of agents. The reason was that the people were frightened and they could not be induced to insure by the agents who were getting the large commissions, even though they gave half or two-thirds of their commissious away. Then, when lower commissions prevailed, some of them abandoned their companies to go with new companies that did not operate under the New York law, and others went into different lines of business. The agents who remain are finding difficult work this year, not, however, on account of the lower commissions, but the insuring public have not got over the scare of last year. Confidence was shaken and has not yet been restored.—W. M. Scott of Philadelphia.

HOW TO PICK GOOD MEN FOR SUB-AGENTS.

It sounds easy, doesn't it? Just corral a few hundred in a ten-acre lot and then go in and pick out the good ones, but the hard part of this is to tell which are the good ones. If you want a dozen who are strictly first class, you would probably have to have five hundred to pick from, and be very lucky to get that many. * * *

However, I have some ideas as to what are the necessary qualifications for a good sub-agent, and will cite a few. One of the first things to look for in a prospective agent is diligence, for it matters not what his other good qualities are, he cannot make a real success without diligence. The percentage of our business that comes to us without effort is so small that it does not cut any figure, the "over the counter" idea to the contrary notwithstanding, and so we want to pick the agent who will go after it. He must work in seasou and out of season, in the morning and at night. He must sow the seed whenever the opportunity presents itself, not obtrusively but tactfully, diplomatically. Our harvest is to be gathered anywhere, at any time, on the street, on the train, at the ball game, at the picnic, as well as at the office or home of the prospect. * * *

A good sub-agent must first be a good citizen, a man active in the affairs of his town or city; he must be a leader and not a follower; he must be a man of character, a man of brains; he must inspire confidence; his word must be as good as his bond; otherwise he will not last. The time was when almost anyoue was considered good enough to be a life insurance agent, but that day is past.

There is no rule to go by in picking good sub-agents. Very often men who have made a success in other lines of salesmanship will make a total failure at our business, and on the other hand, failures in other busiuess have sometimes made excellent life insurance agents. A life insurance agent must be "all things to all men." He must be able to talk equally well religion or politics, farming or horse racing. So in trying to pick good sub-agents, you must bear all these qualities in mind. The really good life insurance agent is born and not made.—W. M. Wood of Pittsburg.

I have always had much success iu gettiug agents from old policyholders, and circularize my policyholders about once a year, sending circulars with the premium notices asking for names of men who would make good agents. My own agents themselves have helped me to get other agents and I pay them for it. Oft-times when some firm gives up business, if the manager will find out the names of the employees and write them letters, desirable men can be secured.

Among my successful agents are a proofreader, whose eyes gave out; a bookkeeper who had never sold goods, a carpenter, a number of ministers, nearly all of whom did well, as also did some Y. M. C. A. secretaries whom I secured. I have two or three advertising solicitors who make good agents. One of the best agents I have was formerly a teacher of French.

Some managers do not like agents from other compauies, but, carefully selected, they are all right. Two or three merchants who had failed in business have done well, which reminds me that one of the secrets

of A. T. Stewart, the great dry goods merchant's, success was the number of men who had failed in business whom he secured to work for him.—L. Brackett Bishop of Chicago.

Deposits by Foreign Life Companies in France.

[To the Editor of The Spectator.]

In your recent numbers you assert that the Texas insurance law unjustly requires life insurance companies to invest seventy-five per cent of the reserve of all premiums paid on future business in securities of that State.

The French insurance law of March 17, 1905, is more exacting, since it requires that all foreign companies writing business in France, or her colonies, must deposit not seventy-five per cent, but the total amount, of the reserve on future business, and on past business, the law being retroactive. In addition thereto, the total reserve of the accumulated profits on all policies that have been heretofore written on the deferred dividend plan must be deposited in the government Caisse des Dépôts et Consignations.

It must therefore be admitted that since the New York Life and the Equitable make a special and inalienable deposit of the reserve due her French policyholders, outside of the general guarantees she gives all her policyholders, then her Texas policyholders, or those of any other State should be entitled to the same treatment, if they are mutual companies! I contend that a mutual company has no right to make a privileged class of a certain group of her policyholders to the detriment of the others. Last year I addressed a letter to each of the presidents of the Mutual Life, New York Life and Equitable as a policyholder in these companies, giving my opinion to that effect. The Mutual answered my letter of May 14, 1906, "that her views coincided with mine." She has accordingly withdrawn from France. Jno. H. Pike.

Paris, France, August 6, 1907.

[The fact that France requires foreign life insurance companies to deposit the entire reserves on policies issued in that country has already been commented on as unjust. Inasmuch as a life insurance company has to consider the equities of all its policyholders, there can be no special treatment accorded to a certain section of them without affecting the remainder.—Editor The Spectator.]

National Convention of Insurance Commissioners.

The following is the programme of the thirty-eighth annual session of the National Convention of Insurance Commissioners, to be held at the Jefferson Hotel, Richmond, Va., September 17, 18 and 19, 1907:

ORDER OF BUSINESS.

Tuesday, September 17, Morning Session.—Address of welcome, by Claude A. Swanson, Governor of Virginia; response by the vice-president, Reau E. Folk, State Treasurer and Insurance Commissioner of Tennessee; address by the president, Gen. Geo. H. Adams, Insurance Commissioner of New Hampshire; roll call; report of committee on credentials; reading of minutes of thirty-seventh annual session; announcement by the president of appointments to fill vacancies on committees.

Afternoon Session.—Address, "The Future of Life Insurance," Darwin P. Kingsley, president New York Life Insurance Company; address, "Life Insurance Legislation Adopted in Various States within Past Two Years," B. F. Crouse, Insurance Commissioner of Maryland; report of committee on laws and legislation; discussion.

Wednesday, September 18.—Address, "Government Regulation of Insurance in Germany," Col. Frederick L. Hoffman, statistician of Prudential Insurance Company, Newark, N. J.; address, "The Function of Actuaries in State Supervision," Miles M. Dawson of New York; report of committee on rates of mortality aud interest; discussion; report of committee on assets of insurance companies; discussion; address, "Limitation of Risks to be Assumed by Surety Companies," John R. Bland, president United States Fidelity and Guaranty Company of Baltimore; address, "Fidelity and Surety Reserves," S. H. Wolfe of New York; report of committee on reserves other than life; discussion; report of committee on blanks; discussion.

Thursday, September 19.—Address, "Deceptive Insurance Methods, The Cure," E. E. Rittenhouse, Insurance Commissioner of Colorado; address, "Fraternal Insurance," George A. Bangs of North Dakota; report of committee on fraternal insurance; discussion; report of committee on unauthorized insurance; discussion; report of committee on miscellaneous matters; discussion; report of committee on place of meeting and officers; election and installation of officers.

—The Ladies of the Maccabees of the World, which held its triennial convention at Atlantic City, N. J., in July, will hereafter issue certificates for amounts ranging from $500 to $5000, giving the applicant the choice of five different plans of protection, consisting of whole life protection, term protection to age fifty, and life protection, including disability protection under varying limitations. The gratifying increase in membership of over 20,000 since the beginning of the term was of unusual interest, as tables based on the National Fraternal Congress Table have been in force since the previous convention. The society has now about 160,000 members, and expects to experience a large growth under the new benefits added.

Casualty, Surety and Miscellaneous

The Commonwealth Casualty Company.

The Commonwealth Casualty Company of Philadelphia, Pa., issued its first statement on December 31 last. That statement covered nine months and included the expenses incurred in reorganizing the company, which was formerly the Fraternities Accident Order of Philadelphia. At that time the company had total admitted assets of $150,036, total liabilities except capital of $31,286, leaving a surplus to policyholders of $118,750. The net book value of the company's stock per $100 on January 1, 1907, was $118.75, instead of $79.16, as stated in The Insurance Year Book. The company is progressing most satisfactorily under the management of D. E. Stevens, president; Henry C. Stewart, vice-president; E. S. Cook, secretary, and Milton Birch, treasurer.

Casualty Notes.

—The Travelers Indemnity has entered Colorado.

—The Indiana and Ohio Live Stock Company has entered Colorado.

—The Empire Casualty Company of Parkersburg, W. Va., has entered the plate glass field.

—The liability insurance agents of the Pacific Coast have abandoned the idea of forming a compact for the regulation of rates.

—The Wisconsin Health and Accident Company of Fond du Lac has decided to retire from business.

—The Traveling Men's National Health Association is being organized in Des Moines on the same lines as the Iowa Traveling Men's Association.

—The Ohio Casualty Company of Columbus expects to begin writing in September. O. R. Farrar will be the underwriting manager, and Tod B. Galloway, general manager and secretary.

—John F. Cole, special agent of the Ætna Life, connected with the New York branch, 46 Cedar street, has resigned that position and severed his office connections with the company and hereafter will act as a general insurance broker.

—Several companies writing liability business in Pennsylvania have agreed to advance employers' liability rates in that State, except Pittsburg, about 66 2-3 per cent, owing to the operation of the new Casey employers' liability law.

—The American Casualty Company of Tacoma has inaugurated a new idea in accident underwriting by the purchase of the Tacoma private sanitarium. The company proposes gaining control or establishing other hospitals in the principal cities of the Northwest, in which its policyholders will be cared for while sick or disabled.

—The Continental Casualty Company of Chicago has appointed B. B. Paddock manager of its industrial department. Mr. Paddock has been in charge of the Central division as manager, and the work accomplished by him has been of a most excellent character. Geo. S. Galloway takes charge of the Central division. The promotion of Mr. Paddock is highly gratifying to all familiar with his abilities.

—C. A. Bennett, the moving spirit in the organization of the Maine Insurance Company, has issued a comprehensive prospectus describing the plans of the company, which will operate under a Maine charter. The charter provides for a capital stock of $100,000 with the privilege of increasing it to $1,000,000, and the incorporators have decided to begin business as soon as $100,000 of the capital stock has been paid in.

Surety Notes.

—The National Surety has entered Arkansas.

—The Bankers Surety of Cleveland has entered New Jersey.

—The American Surety Company is suing Reau E. Folk, Commissioner of Insurance of Tennessee, to recover a tax of two and one-half per cent paid on gross premiums.

—The Attorney-General of Washington has advised the Secretary of State that surety companies are subject to the law imposing a two per cent annual premium tax.

—H. H. Lovell has been elected manager of the surety department of the Title Guaranty and Surety, succeeding Edwin Gott. Mr. Lovell entered the insurance field with the fidelity department of the Fidelity and Casualty Company in 1897. After representing that company in the home office and the field at Buffalo and in the State of Indiana, he resigned to take up general agency business for himself, accepting the

State agencies for Indiana of the Casualty Company of America and the Title Guaranty and Surety Company.

—Julius Goetz, treasurer of Milwaukee county, Wis., has been required to give a bond for $2,100,000. On this bond are nine surety companies and twenty-six individuals.

—The Empire State Surety Company has appointed C. M. Gault of Pittsburg to represent it as its general agent for surety and fidelity lines in Western Pennsylvania.

—The annual convention of the National Association of Casualty and Surety Underwriters, which was to have been held at Richmond, Va., September 25-27, has been abandoned.

TOO LATE FOR CLASSIFICATION.

—C. C. Ferguson has been appointed chief actuary of the Great West Life. Mr. Ferguson was formerly with the Canada Life.

—John M. Banta, for twenty-seven years with the Prudential, and formerly head medical examiner of that company, died on August 20 at his home in Paterson, N. J.

—The New York Insurance Department has issued its report on the examination of the Bankers Life of New York. It shows that on June 30, 1907, the company possessed assets amounting to $1,399,854, and a surplus on policyholders' account of $123,877, including the capital stock of $100,000. Now that the company is shown to be in a solvent condition, it is entering other States and writing new business.

The Insurance Year Book—Excellent Publication for 1907

The Spectator Company of 135 William street, New York, has just issued the 1907-8 edition of its Insurance Year Book. This is the thirty-fourth year of this well-known publication, and its value is fully appreciated by all having insurance dealings. The current number of The Year Book is unusually complete, showing additional features of merit. It is issued in two volumes, one devoted to life, casualty and miscellaneous insurance, and the other to fire and marine insurance. The former comprises some 850 pages of data relating to the conduct of the business and its statistics. The matter has been compiled with great care from authoritative sources, and may be relied upon as accurate. The book is divided into departments as follows: Statutory requirements; statistics of foreign companies; miscellaneous tables on life insurance; life insurance history; compendium of official life insurance reports; business by States; casualty and miscellaneous insurance; liability insurance; stipulated premium assessment and fraternal insurance, and insurance agents.

The volume devoted to fire and marine insurance embraces about 1300 pages of information which is likely to be of service to the live underwriter at any moment. It is accurate and reliable, being compiled with great care. Following is a summary of the matter presented in the various departments of this volume for the current year: Detailed statement of fire insurance companies; company officials; comparative exhibit of five years' statistics; mutual companies' three-year comparison; financial exhibit, December 31, 1906; risks and premiums; business since organization; real estate; mortgage loans; collateral loans; bonds and stocks owned; directors; field men and territory covered; Lloyds; unlicensed companies—American and foreign; surplus line companies; underwriters' organizations; directory of insurance agents; independent fire adjusters and attorneys and counsellors, and fire department and water supply.—The Journal of Commerce and Commercial Bulletin.

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PERHAPS the busiest committee of the National Convention of Insurance Commissioners is that on blanks, and during the past two years its members have had to devote a large amount of time to perfecting the annual statement blanks so that they might conform to the requirements of legislation enacted in 1906 and 1907. When the convention meets at Richmond on September 17 it will have before it for consideration the most voluminous blanks yet drafted, while the insurance companies may well be dismayed at the enormous amount of information they are required to furnish at the close of the year. While there can be no objection to publicity in connection with the transactions of our insurance companies, it is getting to be a matter of some wonder as to the necessity for such elaborate returns each year. As a matter of fact, the larger part of the information asked for becomes buried in the archives of the insurance departments, and is seldom seen, owing to a very small proportion of the public displaying any interest in the elaborate details filed. A comparatively brief annual statement of the financial condition of the companies, coupled with full details say once in three or five years, would in all probability fully meet the requirements of the public. The departments have all the necessary powers to demand complete information in the course of their periodical examinations, and might thus eliminate the present onerous annual burdens imposed on the companies. However, in the present craze for publicity the voluminous reports will undoubtedly be insisted upon until such time as their value is shown to be of little importance.

* * * * * *

In one direction the elaborate nature of the present blanks would seem to lead to misunderstandings on the part of the general public. The average man is more interested in totals than in the details making them up. Formerly the sections covering income and disbursements represented generally cash receipts and cash outgoes, while such items as profit and loss were given net on one side or the other. By the simple process of subtracting the premium receipts from the total income and the payments to policyholders from the total disbursements, the interest and profit income and the actual expenses could readily be ascertained. A few years ago the blank was changed so as to show the profit and loss account on both sides of the account, while the new blank for 1907 goes still further and calls for a statement of gross increase in book values under income and gross decrease in book values under disbursements. Neither of these items represents cash, and cannot possibly do so until the securities affected are actually disposed of, while their inclusion under income and disbursements renders the statements misleading to the general public and valueless for purposes of comparison, one year with another. A couple of years ago one company made changes amounting to many millions in the book value of its assets, some securities being marked up and others marked down. By including those changes under income and disbursements a decided variance from the previous year's figures was shown, and the inference was drawn by some that the company in question was not improving its position so far as economical management was concerned. The representatives of the insurance department may argue that with the detailed items all given the true facts may be deduced, but why not state the facts without leaving them to be deduced and in all probability twisted from their true meaning. Appreciation and depreciation of book values have absolutely no place under either income or disbursements, but should be considered in connection with ledger assets at the beginning of the year. Following that item should be an adjustment account covering the changes in book values and then the income and disbursement accounts will show only cash items. In our opinion the present blank, while going to the limit of publicity, will serve to confuse the general public more than ever regarding the actual income and outgo of the companies. Massachusetts by its new law requires the items referred to above to be included as there given, but we believe if the commissioners look at the matter in the proper light they will change the blank drafted by the committee. If a piece of real estate owned by an individual increases in value from say $3000 to $5000 in a year, he certainly would not claim that his income for that year had been augmented by $2000 unless he sold the land and received the cash, any more than he would enter $2000 as a disbursement if the land depreciated to that extent and he had not disposed of it. In giving all the publicity possible to the transactions of the companies care must be taken that theoretical treatment does not render that publicity confusing.

THE American Bar Association, of which Judge Alton B. Parker is president, held its annual meeting at Portland, Me., last week. Over two hundred representatives of the legal profession were in attendance, and its proceedings were interesting and important. While this association is still in its infancy, it numbers among its members some of the brightest minds in the country, and is bound to grow in importance and influence as the years pass. In his opening address Judge Parker condemned the tendency of State legislatures to enact special legislation as a supposed cure for existing evils, and maintained that greater evil than good was the result The committee on insurance, that has been investigating the subject for over a year, submitted a report of its labors, wherein too much legislation for the regulation of insurance companies was roundly condemned. Laws in-

tended to be supervisory are really destructive in their tendency, the report says, and a greater menace to the policyholders than they have suffered through the mismanagement or dishonesty of company officials or the incompetency of many State Insurance Departments. It is declared that the administration of some of these departments has been characterized by fraud and blackmail, while the legislation of Arkansas and Texas threatens the very existence of the insurance companies, should it be followed by any great number of States. While emphasizing the fact that there is no occasion for distrust of the regular life insurance companies, the report states that "the sentiment of fraternalism is widely prostituted by the dishonest and extravagant management of some of the so-called fraternal orders." The recommendations of the committee that the association condemns the prevalent custom of appointing Insurance Commissioners as a reward for political services, that valued policy laws be repealed, and that the office of State fire marshal be created in all States, were adopted. The committee's report on insurance shows, by its thoroughness, that the members had expended much labor and time in their investigation, and the conclusions they arrived at are logical and should command wide attention. Legislative abuse of important corporate interests is one of the crying evils of the times. Insurance has been a great sufferer from burdensome and restrictive laws enacted in various States, and in matters of taxation they have been discriminated against most unmercifully. It is good to note that public bodies of high standing and character, like the American Bar Association, are taking action that is likely to exercise a powerful influence for good on public sentiment, and thus bring desired restraint upon unthinking and unintelligent legislators.

THERE have been many deaths from drowning reported from the seaside resorts within the past few weeks. These usually occur at places where no life-saving precautions are provided, but hotel proprietors induce their patrons to go into the surf by advertising excellent bathing facilities. The surf and undertow on the beaches are treacherous, and he who ventures in without proper safeguards does so at much risk. It is remarkable how few persons comparatively are swimmers and able to take care of themselves in the water. In places almost surrounded by water, like New York, it is verging on criminality to let children grow up without learning to swim. If all were only turned loose, as those in the poorer quarters are, they would speedily find the water and pick up the art of swimming. One has but to note the crowds of boys along the rivers on a hot day to know that they take to water as naturally as a duck does. But these are not of the class that patronize the seaside resorts, for there it is painfully in evidence that very few of the many thousands that venture into the surf are capable of taking care of themselves should they get out of their depth. Unless life savers are at hand a stray from the flock that is too venturesome is apt to pay with his life for his temerity. On the most frequented beaches near New York there are daily rescues that are seldom reported, but the numerous drowning accidents become matters of record in the daily papers. This season has been prolific of them, for the seaside resorts have been filled with patrons, while the transient crowds have been exceptionally numerous because of the increased facilities for reaching them. Some one announced recently that he was compiling a complete record of drowning casualties for the year. Such a compilation cannot fail of being instructive by showing how common such accidents are and pointing out the necessity of guarding against them.

WHILE there have been some heavy fire losses during the past two months, the fire insurance companies should be thankful that they were not more numerous and heavy, considering the protracted drouth that afflicted a large portion of the country. The proverbial forty days' drouth following Saint Swithin's day was quite general in the East, and in some sections was prolonged to sixty and even seventy-five days. In portions of New England all manner of crops shrank and shriveled under the hot sun, and even some forest trees withered and shed their foliage. Springs and streams, never known to fail before, ran dry, and persons dependent upon them for their water supply were forced to haul water from long distances in barrels. Farmers and other rural residents were among the greatest sufferers, for they not only saw their crops and gardens destroyed for lack of water, but were threatened with devastation by forest fires that did much damage. That there was not greater destruction of isolated dwellings and other farm buildings is cause for congratulation. At many of the popular summer resorts the scarcity of water was severely felt; and as the hotels and residences became as dry as tinder, and the means of fire prevention are notoriously deficient in such places, it is providential that more were not burned.. The forty days having passed, the rains began to fall, the springs to flow and the brooks and streams to resume their normal functions, and the extreme danger was passed. Saint Swithin was, no doubt, all right in his lifetime, but if he continues in control of the weather at certain seasons it is respectfully suggested that he divide his periods of drouth and excessive rains a little more evenly. Forty days consecutively of either rain or drouth is a little more than is either pleasant or profitable, not to mention the inconvenience and danger attaching to either condition.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

Justice Guy of the Supreme Court has signed an order dissolving the Tradesmen's Life of New York, which stopped writing business in March, 1906. Woolsey A. Shepard has been named as permanent receiver of the assets.

The Home Life Insurance Company has announced the following nominations for directors to be elected by the company on March 4 next: Henry E. Pierrepont, Thomas T. Barr, Francis L. Hine, E. W. Gladwin and John E. Borne.

BOSTON AND VICINITY.

Miss Emma W. Cushman, actuary of the Massachusetts Insurance Department, is taking a well-earned vacation.

The report of the Massachusetts Insurance Commissioner on life, accident and casualty insurance is expected to appear about the middle of September.

NOTES FROM PHILADELPHIA.

The West Jersey and Seashore Railroad is blamed for the accident which resulted in the death of Henry C. Gurk, secretary and general

manager of the Cosmopolitan Relief Association of this city, and of his son, and the injury of other members of his family while they were automobiling in Southern New Jersey. The widow has brought suit to recover $50,000 damages.

The General Accident Assurance Corporation has moved into its handsome new building at the southwest corner of Fourth and Walnut streets.

Thomas B. Smith, Philadelphia manager of the National Surety, has recently incorporated his business.

A charter has been granted under the fraternal laws of the State to the National Health and Life Association of this city to do a life, health and accident business. Francis Rawle, Jr., is president of this new concern, whose offices are at 825 Land Title building.

An interesting law point was raised recently in a suit for $25,000 damages begun by ex-Representative John H. Fow against the city and the Philadelphia Rapid Transit Company. In the ordinance recently passed by Councils, which was intended to regulate the surface railway system by representatives of the city and the traction company, a section distinctly provides that the city shall not be liable in any suits brought against the company, but Mr. Fow claims that is a matter which the courts only have a right to decide, also that the ordinance clearly creates a partnership between the city and the Rapid Transit Company, which he says is illegal. The plaintiff, George Summerfield, was recently severely injured by being thrown from one of the traction company's cars.

THE SUICIDE RECORD OF 1906.

By Frederick L. Hoffman.

The downward tendency in the suicide rate of American cities, commented upon in my discussion of the suicide record of 1905, continued through 1906, and declined to 17.0 per 100,000 of population. The decrease in the rate was no doubt very largely the immediate result of the exceptionally satisfactory economic condition of the nation and the more general employment of even common labor at remunerative rates of wages. Of all suicides, a not inconsiderable proportion are always men, for some reason or other, out of employment or who find it difficult to obtain the kind of labor best suited to their taste or ability. Among other factors which, in part at least, are probably responsible for the decline in the rate, the most important is the more intelligent supervision and control in the sale of poisons, in particular of carbolic acid. Much, no doubt, could be done towards a reduction of the suicide rate by intelligent legislation which would make it more difficult to secure the most usual methods of self-destruction. The increasing attention which has been given to this subject within recent years, no doubt, has been followed by beneficial results in a number of individual cases. Another factor may be a possible over-estimate of the population of the more important cities, but no check can be had upon these calculations until the census returns for 1910 are available. A study of the suicide curve for a period of years, however, would seem to confirm the theory of a tendency towards points of high suicidal frequency which were attained in 1893, 1897 and 1904, followed by a rapid depression in the curve, and a still more rapid rate of increase during subsequent years, raising the point of maximum frequency above points previously attained. Thus the maximum rate in 1893 was 16.3, in 1897 it was 17.9, and in 1904 it was 20.3. In contrast, the minimum points during the last fifteen years have been 13.6 in 1892, 15.9 in 1895, 16.4 in 1900, and 17.0 in 1906. These observations comprehend the returns of sixty-five cities for a period of fifteen years, with an average population of about fifteen millions, among whom there occurred 36,439 recorded cases of self-murder. There can be no question of doubt, however, that the actual mortality from suicide is somewhat greater in that quite a number of deaths are reported as accidents or ill-defined cases of poisoning, etc., while even coroner's verdicts are often inconclusive in the absence of definite evidence to establish the fact of self-murder.

In my articles for previous years I have limited my observations, as a rule, to fifty American cities, but I have found it possible, through the co-operation of health officers and others, to secure additional information for fifteen other cities, so that the record of 1906 is for practically the entire urban area of the United States, or for sixty-five cities, with a total estimated population of more than seventeen millions:

TABLE A.—SUICIDE MORTALITY IN SIXTY-FIVE AMERICAN CITIES. 1896–1905 AND 1906.

Cities.	1896–1905.		1906.		Rate of Increase or Decrease
	Suicides.	Rate per 100,000 Population.	Suicides.	Rate per 100,000 Population.	
San Francisco	1,803	52.2	141	37.9	—14 3
Hoboken	181	30.2	22	33.1	+ 2.9
St. Louis	1,596	27.4	207	31.1	+ 3.7
Oakland	170	24 9	30	37.0	+12.1
Chicago	3,962	22.7	385	17.5	— 5.2
N. Y. City (Manhattan and Bronx)	4,642	22.2	442	18.0	— 4.2
Milwaukee	632	21.8	67	20.0	— 1.8
Newark	540	21.6	79	27.4	+ 5.8
Cincinnati	673	20.6	89	25.8	+ 5.2
Indianapolis	308	17.6	33	14.7	— 2.9
Haverhill	66	17.3	11	23.1	+ 5.8
Concord	34	17.2	3	14.1	— 3.1
Brooklyn	2,017	16.9	204	14.0	— 2.9
Jersey City	352	16 8	32	13.4	— 3.4
New Haven	179	16.3	20	15.6	— 0 7
Cleveland	618	15.8	61	12.7	— 3.1
Washington	446	15.8	43	13.8	— 2.0
New Orleans	451	15 6	70	22.0	+ 6.4
Orange	38	15 6	4	15.5	— 0.1
Auburn	47	15.4	7	21.0	+ 5 6
Minneapolis	315	15.4	37	16.1	+ 0 7
Boston	856	15 0	64	9 9	— 5 1
St. Paul	241	14.6	32	17 3	+ 2.7
Quincy	53	14.5	3	7.6	— 6 9
Nashville	117	14.4	7	8.3	— 6.1
Pittsburg	461	14.1	60	15 6	+ 1.5
Rochester	222	13.5	29	15.9	+ 2.4
Dayton	117	13.4	15	14.4	+ 1.0
Philadelphia	1,670	12.8	214	14.6	+ 1 8
Louisville	263	12.7	67	28.3	+15.6
Newport	28	12.6	4	17.0	+ 4.4
Hartford	100	12.2	22	21.6	+ 9 4
Providence	219	12.2	37	16.9	+ 4.7
Toledo	166	12.2	23	13.1	+ 0.9
Baltimore	618	12 0	80	14.3	+ 2.3
Erie	62	11.6	6	9.7	— 1.9
Bayonne	39	11.5	4	8.8	— 2.7
Springfield (Mass.)	73	11.5	12	15.5	+ 4 0
Bridgeport	83	11.4	13	14.6	+ 3.2
Passaic	34	11.4	4	8.5	— 2.9
Worcester	137	11.3	18	12.2	+ 0 9
Buffalo	395	11.0	68	15.9	+ 4 9
Gloucester	28	10.8	...	....	—10.8
Salt Lake City	57	10.5	15	24.7	+14 2
Altoona	41	10.4	4	8.8	— 1 6
Elizabeth	55	10.3	6	9.3	— 1.0
Brockton	42	10.2	7	13.9	+ 3.7
Reading	82	10.2	14	14.8	+ 4.6
Chelsea	34	9.9	1	2.7	— 7.2
Holyoke	45	9.7	5	9.4	— 0.3
Lowell	93	9.7	9	8.2	— 1.5
Cambridge	88	9.4	8	7.6	— 1 8
Lawrence	59	9.2	6	7.7	— 1 5
Manchester	53	9.2	6	9.0	— 0.2
Fitchburg	29	9.0	5	12.8	+ 3.8
Omaha	74	7.3	15	17.7	+10 4
Lynn	48	6.9	7	9.1	+ 2 2
Trenton	50	6.7	11	12.4	+ 5.7
Johnstown	22	5.9	4	8.3	+ 2.4
New Bedford	36	5.7	8	11.1	+ 5.4
Camden	39	5.0	6	6.4	+ 1 4
Charleston (S. C.)	28	5.0	2	3.6	— 1.4
Elmira	18	5.0	6	15.4	+10.4
Somerville	29	4.6	1	1.3	— 3.3
Williamsport	5	1.7	4	13.4	+11.7
Average 65 cities	26,079	17.8	2,919	17.0	— 0.8

The preceding table shows the actual and relative mortality from suicide in each of the sixty-five cities and towns for which the returns were available. Of the aggregate number of communities, thirty-six cities show an increase, while twenty-nine show a decrease in the number of suicides in proportion to population The range of the rate during 1906 was from 37.9 per 100,000 of population in San Francisco, to no suicides in Gloucester, Mass. The range in the average rate for the period ending with 1905 was from 52.2 for San Francisco, to 1.7 for Williamsport, Pa., but the rates fluctuate so considerably for individual years in the case of small communities that it is unsafe to arrive at broad generalizations. It must also be taken into consideration that large cities generally attract persons with suicidal intent from country districts, where the facilities for self-murder are less easily obtained. In quite a considerable number of cases persons contemplating self-destruction go to large cities and squander their financial resources and end their existence by gas poisoning or other means of self-destruction not readily available in country communities. These observations, however, do not invalidate the significance of the rates for certain cities, which year after year show a decidedly higher

degree of suicidal frequency than other localities, and this is particularly true of San Francisco, Hoboken, St. Louis, Oakland, Chicago, New York, Milwaukee, Newark and Cincinnati. In all of these cities, according to the previous table, the average rates were in excess of twenty per 100,000 of population during the decade ending with 1905, and only four of these cities show a lower rate for 1906, while five of the cities show a material increase in the rate of suicidal frequency.

A summary of the suicide returns for individual years, together with the aggregate population of the cities under consideration, is set forth in the following table, for the period commencing with 1892 and ending with 1906. The table is self-explanatory and confirms previous observations regarding the periodical fluctuations in the rate, with a decided tendency toward minimum and maximum points of relative suicidal frequency:

TABLE B.—SUICIDE MORTALITY IN SIXTY-FIVE AMERICAN CITIES. 1892–1906.

Years.	Population.	Suicides.	Rates per 100,000 Population.
1892	11,541,918	1,568	13.6
1893	11,862,348	1,937	16.3
1894	12,192,328	1,951	16.0
1895	12,535,743	1,992	15.9
1896	12,887,435	2,135	16.6
1897	13,250,791	2,372	17.9
1898	13,669,422	2,397	17.5
1899	14,014,422	2,327	16.6
1900	14,415,482	2,365	16.4
1901	14,829,438	2,489	16.8
1902	15,258,316	2,717	17.8
1903	15,701,501	2,998	19.1
1904	16,159,758	3,285	20.3
1905	16,643,724	2,987	18.0
1906	17,135,840	2,919	17.0
1892–1896	61,019,772	9,583	15.7
1897–1901	70,179,555	11,950	17.0
1902–1906	80,899,139	14,906	18.4

While the suicide rate has declined in the sixty-five cities considered in the aggregate, there are some very important exceptions. The rate during 1906, compared with the average for the preceding decade, increased in the following important cities: Hoboken, 2.9; St. Louis, 3.7; Oakland, 12.1; Newark, 5.8; Cincinnati, 5.2; Haverhill, 5.8; New Orleans, 6.4; Minneapolis, 0.7; St. Paul, 2.7; Pittsburg, 1.5; Rochester, 2.4; Dayton, 1.0, and Philadelphia, 1.8.

For ten of the most important cities the returns are available for a longer period of time, and the rates of suicidal frequency, by five-year periods, have been as follows:

TABLE C.—SUICIDE MORTALITY IN TEN PRINCIPAL AMERICAN CITIES. FIVE-YEAR PERIODS, 1872–1906.
(Death Rates per 100,000 Population.)

	1872–76.	1877–81.	1882–86.	1887–91.	1892–96.	1897–01.	1902–06.
New York (M. and B.)	14.4	12.3	15.4	17.0	19.1	23.1	20.8
Chicago	13.0	12.6	13.9	17.7	24.0	22.9	21.3
Philadelphia	7.6	6.8	9.3	9.2	10.1	12.0	14.5
St. Louis	9.1	18.3	21.8	22.0	25.7	25.7	29.4
Boston	10.5	10.7	10.8	10.3	15.6	16.3	12.4
Baltimore	6.4	5.9	7.3	8.2	10.2	11.5	13.6
Cincinnati	13.0	15.5	16.3	15.6	19.2	18.7	24.4
New Orleans	8.5	8.6	14.1	13.5	17.1	14.0	17.3
Newark	13.2	9.3	13.3	15.0	15.8	19.1	25.6
Providence	9.3	7.9	8.8	8.7	9.1	11.7	13.5

With few exceptions, the rates prevailing during the last five years have been decidedly above the average for earlier periods. How far this result is to be attributed to improved methods of registration can not be even approximately estimated upon the basis of available information. The table, however, fully confirms previous investigations and illustrates the importance of suicide as an element of the general mortality, in particular of the adult male population of large cities, a majority of whom are to-day insured with industrial, ordinary or fraternal insurance companies or societies.

The importance of suicide as a factor in the experience of life and accident insurance companies is often underestimated. The subject has been recently ably discussed by Vice-President Faxon of the Ætna Life, in an address on the Missouri suicide law, delivered at the twentieth annual convention of the International Association of Accident Underwriters. Mr. Faxon states that it had been his intention to embody in his paper some indication of the number of suicides occurring, in proportion to the population in Missouri, as compared with the number occurring in other States, but he found it impossible to secure the required data. While the preceding tables contain information regarding the suicide rate of St. Louis since 1872, I add a table giving the information for this city in detail for the last ten years:

TABLE D.—MORTALITY FROM SUICIDE IN ST. LOUIS, MO., 1897–1906.

Year.	Population.	Suicides.	Rate per 100,000 Population.
1897	534,977	162	30.3
1898	548,057	171	31.2
1899	561,456	116	20.7
1900	575,238	130	22.6
1901	589,302	143	24.3
1902	603,710	142	23.5
1903	618,470	173	28.0
1904	633,591	227	35.8
1905	649,082	182	28.0
1906	664,952	207	31.1
1897–06	5,978,835	1,653	27.6

While there has not been the pronounced increase in the mortality from suicide in St. Louis which might have been expected, in view of the Missouri suicide clause, there is sufficient evidence—among others the Blair case—to warrant the opinion that the law is a direct incentive to self-murder. As shown in a previous table for St. Louis, the average rate has persistently increased from 1872 to the present time, and contrasting the two terminal periods, the rate has changed from 9.1 per 100,000 of population during 1872-76 to 29.4 during 1902-06, and of the ten largest cities in the United States for which the information is available, St. Louis stands foremost in the propensity to self-murder. It is not necessary to further enlarge upon this point, but some additional data regarding suicide as a factor in the mortality experience of life insurance companies may be of interest. Some very suggestive information upon this point is to be derived from an alalysis of the medical statistics of the Northwestern Mutual Life, which have been published in the last annual report of that company. The experience is for the entire history of the company, beginning with 1857 and ending with December 31, 1906. The table which follows shows the suicide mortality in proportion to the deaths from all causes at specified periods of life:

TABLE E.—SUICIDE MORTALITY, NORTHWESTERN MUTUAL LIFE INSURANCE CO. 1857–1906.

Ages.	Deaths From All Causes.	Suicides.	Per Cent of Suicides at Each Age Period.
Under 20	39	2	5.1
20–29	2,265	57	2.5
30–39	5,225	190	3.6
40–49	6,674	237	3.6
50–59	6,624	183	2.8
60–69	5,660	68	1.2
70–79	3,366	13	0.4
80 and over	865	2	0.2
All ages	30,718	752	2.5

Leaving out of consideration the mortality at ages under twenty, the actual numbers being too small for a safe generalization, it appears that beginning with ages twenty to twenty-nine the percentage of suicide was 2.5, increasing to 3.2 during the next two decades of life, decreasing to 2.8 during the age period fifty to fifty-nine, and, finally, to 0.2 per cent at ages eighty and over. The general average has been 2.5 per cent of deaths from suicide in the mortality from all causes.

For the purpose of comparison I add a table showing the corresponding percentages for the Mutual Life of New York and the United States census of 1900:

TABLE F.—COMPARATIVE PERCENTAGES OF SUICIDE MORTALITY.
(Per Cent. of Deaths from all Causes at Specified Ages.)

Ages.	Northwestern Mutual Life.	Mutual Life of New York (Males).	U. S. Census 1900 (White Males).
15–19	5.1	2.6	0.7
20–29	2.5	3.0	1.7
30–39	3.6	3.3	2.2
40–49	3.6	3.3	2.4
50–59	2.8	2.6	1.7
60–69	1.2	1.2	1.0
70–79	0.4	0.4	0.5
80 and over	0.2	...	0.2
All ages	2.5	2.2	1.4

The comparison is interesting and indicates a larger proportion of deaths from suicide among the insured than among the general population. At ages thirty to fifty-nine the percentages are higher for the Northwestern than for the Mutual Life of New York, probably on account of the larger proportion of Germans among the policyholders of the Northwestern. As is well known, the German population has a decided propensity for suicide, in marked contrast to the Irish, both in Ireland and in the United States. The table would appear to confirm the conviction that there is an element of adverse selection sufficient to affect the mortality experience of even the most conservative life insurance companies in the United States. There can be no question of doubt that the Missouri statute is contrary to public policy and is opposed to the interests of the policyholders. The usual limitation of two years would appear to be sufficiently liberal to protect the interest of all bona fide insurers, and a departure from this rule is nothing short of being an encouragement to self-destruction. This point was recognized at least as early as 1843, when English Friendly Societies were censured because of too much liberality in the payment of suicide claims, which, it was held, was an inducement to the crime of self-destruction. While, for the time being, the suicide rate of American cities is somewhat below the average for the preceding decade, there is every reason to believe that the rate will assume an upward tendency in the near future, and that the maximum point to be attained will be above the rate for 1904.

THE MIDDLE STATES.

Bankers Life Insurance Company of New York.

The report of the examination by the New York Insurance Department of the Bankers Life of New York, while showing that the company is now in a solvent condition, reflects severely on the former management. The report covers the findings in more than one examination and also the result of several hearings had before the Superintendent of Insurance. Extracts from the report follow:

On June 21 a hearing was had at the Department at which were present for the company its president and general counsel and Judge Herrick of counsel. In the course of the hearing it was asserted by the president that evidence had been obtained showing the company was insolvent on January 1, 1905. If true, this would make invalid all dividends declared during that year. The president of the company promised to file with the Superintendent a written communication setting forth the facts upon which such statement was based, and such letter was received on June 25, and a copy sent to the assistant actuary in New York with instructions to at once proceed to investigate the matters therein referred to and report at the earliest moment. The examination, which at once followed, was reported to the Department under date of July 2, and stated the findings in the matters alleged in the president's letter, and also a report of the computation of the company's liability on account of its "Class A" membership in accordance with the holding of the Attorney-General.

Upon the evidence furnished in the report, the Superintendent at once conferred with the district attorney's office of the county of New York as to instituting criminal proceedings against certain persons apparently implicated in violations of law in conducting the business of the company and in making an official statement of its financial condition to the State Insurance Department for the year ending December 31, 1904. The Superintendent was advised that by reason of an immediate pressure of criminal business upon the district attorney the matter so referred could not be acted upon until the month of September next, when the evidence would be presented to a grand jury.

The report of the examiner so far as it relates to matters transmitted to the district attorney for prosecution will not be made public for the present.

* * * * *

Owing to the disrupted condition of the company's agency force and the unpleasant notoriety consequent to the effort at legal settlement of questions of the company's liabilities and responsibilities, the lapses of old business have greatly exceeded in amount the paid-for issues of the current year. Thus in six months preceding the date of this examination the amount of insurance in force has been decreased by about two millions and the management are confronted with the somewhat serious question of their ability to keep the expenditures as limited by section 97 of the insurance law within the amount of the loading on premiums actually received during the year and the expected profit from mortality (as per the select and ultimate table) on business written during the year. At the end of the first half of the current year but a small portion of the above described expense allowance remains, and a continuation of the excessive lapsing of old business with a lack of new business to replace it might result in an unfortunate condition. The particular attention of the Department should be directed to that matter at the end of the year.

Active steps have already been taken to re-establish the agency force, and applications made to a number of States for permission to again do business within their territory, and the president is very sanguine of his ability to write more than a sufficient amount of new insurance to meet all requirements for expenses. An analysis of the expenditures for the six months develops nothing disproportionately great, except perhaps the item of legal expenses, incurred principally during the previous year, in litigating a large number of claims and in the hearing before the Appellate Division of the Supreme Court in the matters relative to fixing the status of the company's contracts.

A tacit agreement exists that the board of directors shall authorize the payment of sums aggregating $5000 per year to an executive officer of another company, but whose name does not appear as an officer of the Bankers Life, for "services rendered * * * in superintending the agency force, assisting in the valuation of the policies of the company and in consulting with and advising the officers on the business and affairs of the company."

The result of the examination as of July 1 shows that the company now has assets of $1,399,854 and a surplus of $123,877, including the $100,000 capital.

—John T. Cunningham of Pittsburg has left the Mutual Reserve Life, and has become connected with the Reliance Life.

—The Pittsburgh Life and Trust has appointed F. D. Newland director of agents. Mr. Newland was recently special agent in New York State for the Standard Life and Accident.

—The regular monthly meeting of the Pittsburg Association of Life Underwriters will be held at the Duquesne Club, September 9. Among those who will be present at this important meeting are: Charles Jerome Edwards, president, New York; Herbert C. Cox, vice-president, Toronto; William H. Herrick, second vice-president, St. Louis; Will A. Waite, secretary, Detroit; former presidents, Frank E. McMullen, Rochester, and William D. Wyman, Chicago; former secretary, Ernest J. Clark, Baltimore; executive committeemen, George H. Allen, Toronto, and E. R. Putnam, Rochester; Conrad V. Dykeman of the New York Association, and Nathan H. Wood, editor of Life Association News.

THE NEW ENGLAND FIELD.

—The stockholders of the Travelers Insurance Company met on August 30 and voted to increase its capital from $1,000,000 to $10,000,000.

—Fred E. Richards, the president of the Union Mutual Life, has retired from the presidency of the Portland National Bank, organized by him before he became president of the insurance company, and the Union Safe Deposit and Trust Company.

THE WEST.

—The Security Life of Chicago has appointed Barnett & Barnett as Indiana managers, with headquarters at Indianapolis.

—Franklin B. Mead has resigned as actuary of the Minnesota Mutual Life, to become actuary and office supervisor of the Kansas City Life.

—The new seven-story reinforced concrete building of the West Coast Life, at the corner of Pine and Leidesdorff streets, San Francisco, is ready for occupancy.

—W. J. Standen, actuary of the Capitol Life of Denver, and formerly actuary of the United States Life, died on Tuesday of last week of typhoid fever, after a two weeks' illness.

—Mark B. Lockyer of the Illinois Life wrote $1,132,000 of new business for his company in the year ending July 31, 1907, and is therefore president of the $100,000 Club for the year ending July 31, 1908. Mr. Lockyer started with a self-imposed handicap of $500,000.

—The organization committee of the Mississippi Valley Life of St. Louis, which was incorporated in June last, with a capital of $150,000 and a like amount of surplus, announces that the sale of the necessary amount of stock is about completed. The Mississippi Valley will write non-participating insurance on a 3½ per cent legal reserve basis, and policies will include a health and accident clause.

—The Michigan State Life, which has been organizing in Detroit for some time, now announces that the capital stock of $100,000 has all been paid in, and a reserve fund of $100,000 provided. A guarantee fund of $100,000 has been deposited in the State treasury, as required by law. The officers are: President, C. A. Goodale, formerly secretary of the Missouri State Life; vice-presidents, J. W. McCausey and Frank H. Watson; medical examiner, Dr. J. B. Bradley; director of agencies, Frederick Apps.

—The Continental Life Insurance and Investment Company of Salt Lake City have just arranged to enter New Mexico. Headquarters will be established at either Albuquerque or Santa Fe, with M. Sherfesee as general agent. Mr. Sherfesee is well known on the Atlantic Coast as an insurance man of ability and high standing. Franklin Spencer, Jr., field representative of the Continental Life, is making an extended trip through the southern part of Utah, and is writing a large volume of business for that company.

THE SOUTH.

—Hamilton Cooke, inspector of agencies for the Southwestern department of the New York Life, issues an interesting bulletin to his fieldmen, on "Difficulties." That his force knows how to overcome difficulties is shown by the fact that for July the department headed all departments of the company, having produced $2,453,000 in new business.

—The firm of Carter & West, State agents for the Volunteer State Life of Chattanooga, Tenn., have just closed a contract with Hon. J. G. Spencer of Port Gibson, Miss., to represent the company as superintendent of agents for Mississippi. Mr. Spencer will doubtless prove a valuable acquisition to the agency force, as for the past twelve years he was a leading representative of the Mutual Life of New York. He was formerly United States Congressman from Mississippi, and is widely known as a politician and insurance man, and is producing a fine business.

—Attorney-General Davidson of Texas has instituted a suit against the John Hancock Mutual Life for the purpose of driving the company out of the State. An injunction was also prayed for to keep the company from transacting business under the permit granted by the Secretary of State. The company has never transacted, nor been licensed to transact, life insurance business in Texas, but is doing a loan business under the permit granted about eight years ago by the

Secretary of State. The State contends that no life insurance company can conduct a loan business except as an incident to life insurance business.

—The Georgia Legislature has adjourned after passing two measures affecting insurance. House bill 392, permitting domestic life companies to invest in securities of other States and to make deposits in other States not exceeding the full amount of the reserve on business in force in those States, and the general tax act, which increases the license fee for traveling representatives of assessment concerns from $25 to $50 per year.

MISCELLANEOUS LIFE NEWS.

INSURANCE AFFAIRS IN GREAT BRITAIN.

The Mutual's London Manager—New Business of North British and Mercantile—The Post Office and Workmen's Compensation Act—Rush of Employers Liability Business.

[From Our London Correspondent.]

To the fact that J. H. Harrison Hogge, the general manager for Great Britain of the Mutual Life of New York, is deservedly popular over here, I have previously referred. Mr. Hogge is emphatically regarded as "the right man in the right place," and a very interesting article accompanied by his photograph in his uniform as colonel of the First Hampshire Royal Garrison Artillery, and also of himself engaged in office work, appeared in The Tatler for June 26. In this, after mentioning that he was born at Aldershot between forty and fifty years ago, his career is traced from the period when he obtained his first billet from Sir James Anderson, of submarine cable fame, and passed his twelfth birthday in the Bay of Biscay en route for Gibraltar. Later, while stationed in the Cape de Verde Islands, he was the operator who transmitted the news of the disaster to British arms at Isandhlawana, and also the death of the Prince Imperial in South Africa. During his residence at this station Mr. Hogge met many distinguished men on their way to and from the Cape. Mr. Hogge joined his regiment, the Hampshire R. G. A., in 1891, and was gazetted colonel in 1903. Summing up the secret of Mr. Hogge's popularity and success, the writer of the article says:

He is a good skipper. He knows how to use, without abusing, authority, and he may be summed up in that inclusive descriptive phrase, "a thoroughly good fellow." In his office he has the affection and respect of every member of his staff. During all the "wild alarums" of 1906, when the destruction of the Mutual was widely predicted, the general manager set an example of calm dignity and simple truthfulness which has resulted in carrying the company through its period of peril into a more prosperous state.

With reference to the rumors which were current about this time last year as to the amount of business being done by the North British and Mercantile in consequence of its bold bid for the transfer of assurances from the American life offices, the following figures relating to the new life business of that company for the last four years—and which are taken from the company's annual report—are particularly interesting:

Year.	Policies.	Amount.	New Premiums.
1903	3,422	£1,955,925	£78,937
*1904	6,335	2,260,303	94,051
1905	4,603	2,190,444	105,653
1906	4,654	2,626,333	160,192

* Includes 2700 policies of the Civil Service Provident Society, assuring £135,000, reassured with North British.

There is no doubt that the North British did receive a very large number of inquiries from dissatisfied policyholders, but the above figures would seem to indicate that a considerable proportion of these prospective cases did not get beyond the inquiry stage; in other words, that the difficulty which always presents itself, where the question of transferring life assurance policies is concerned, proved a more serious one than was at first anticipated.

The report of the departmental committee appointed to consider whether the post office should provide facilities for insurance under the Workmen's Compensation Act has just been issued and, inasmuch as the committee advise against the proposed course, insurance offices would appear to be in no immediate danger of competition from this direction. The report states that, as far as it has been found possible to form an estimate, some 6,000,000 additional workmen are affected by the Act of 1906; but insomuch as many of them are in the service of employers able and willing to stand the risk of the fresh liabilities placed on them, it is impossible to arrive at the exact number who are liable to loss through the failure of their masters to make provision against possible accidents. All the witnesses were agreed that there would always be a residuum of employers who would not insure under any scheme, whether government supported or otherwise, unless actually compelled to do so. After carefully considering the matter, the committee arrived at the conclusion that the post office should not enter into competition with the private companies, one of the principal reasons advanced in support of this view being that at present little is known of the risks and that it would be unwise for a government department to quote premiums with no knowledge of any basis upon which the amount thereof could be assessed. The committee, however, recommend that the post office should do as much as possible to urge upon small employers the advisability of insuring under the act, by the exhibition of a notice drawing attention to the liabilities imposed by the act, and otherwise.

A matter which now more nearly affects accident insurance companies is the Employers' Liability Insurance Companies bill, at present before Parliament, in connection with which an order in council has been drafted. This provides, among other matters, for similar returns being made as have to be rendered by life companies. The schedules have not yet been finally adjusted, but the Board of Trade is in consultation with the Institute of Actuaries in Scotland, and the Accident Offices Association on the subject, and it is reported to be practically certain that companies will have to show (1) premium income; (2) the percentage thereof received; (3) the reserve for current risks; (4) the number and amount of fatal accident claims paid and of those remaining unsettled, and (5) the number of permanent cases on the books.

Although there has recently been no lack of items of current interest, the one topic that has overshadowed all others is the rush of business under the Workmen's Compensation Act, which came into force on the 1st inst. A very large section of the public postponed—as is its wont—the taking of any definite action until the day fixed for the coming into operation of the provisions of the act was almost upon them, and then displayed unseemly haste in a desire for instant protection. As a consequence the number of proposals with which the offices have been called upon to deal in the course of a few days has exceeded expectations and surpassed all records. The result is to be seen in a congestion of business which has proved most difficult to handle. Extra clerks, late work, all-night work, have been the common experience. Long queues of callers—in some cases thirty or forty deep—have been kept waiting at inquiry counters. And, as one insurance journal says, "the rush of business has been of a nature to give the juniors of to-day something to talk about to their grandchildren who may be destined for the insurance profession." Insurance offices have, in fact, for a short time found themselves in that happy condition—long looked forward to as an ideal one from an insurance point of view—when the general public has come to the office and respectfully asked to be insured. And the offices have endeavored to meet this desire for protection by every means in their power. So much so has this been the case that during the week ending June 29, such an old-established company as the Liverpool and London and Globe gave public notice by advertisement that its London chief offices and West End offices would "remain open every night until 10 o'clock, in order to give the public increased facilities for effecting their insurances before Monday, July 1."

Nor is the interest displayed by the public to be wondered at. For never before has such attention to insurance matters been given by the general press. Advice upon insurance—valuable and otherwise—has been met with everywhere. The great daily papers have taken the subject up and in some cases have drafted policies for the benefit of their readers, dealing more especially with points in connection with the insurance of domestic servants. Thus we have The Daily Telegraph Ideal Policy, The Daily Mail Ideal Policy, and so on. Add to the foregoing the fact that the new act affects practically all classes, and the position of affairs will be capable of being understood with little difficulty.

The rush of business has now somewhat slackened; but there is still a steady flow of proposals, and this is likely to continue for many weeks to come, as there is, without doubt, an enormous number of persons yet uninsured. The rush of office work is unabated, and the wearied staffs of accident offices sigh in vain for "evenings off," while holidays are out of the question.

Of course, a very large proportion of the new premiums received are of quite small amount, ranging from two shilling and sixpence upward, but single premiums running into thousands of pounds are to be met with, and one office is reported to have closed with £10,000 of new premiums in one day.

Claims are now arriving in numbers quite sufficient, and an exciting time in the claims department may shortly be looked for. By July 1, 1908, the companies will, no doubt, be wiser; and it is to be hoped that increases in wealth will, at least, keep pace with increases in wisdom.

Charters.

The Insurance Year Book.

The two volumes of The Insurance Year Book are among the most useful and valuable to this Department, of the insurance publications on file in this office.—W. D. Vandiver, Superintendent of Insurance, State of Missouri.

Annual Report Blanks for Insurance Companies.

The committee on blanks of the National Convention of Insurance Commissioners has submitted its report in advance of the meeting to be held at Richmond, Va., on September 17, in order that the several Departments may consider the various changes at leisure. There are numerous and radical changes in the blanks, affecting more particularly the life insurance companies, most of which are due to recent legislation. Much of the information called for in part B of the New York blank for life companies as filed this year is now incorporated in the convention edition, so that practically all the life insurance companies of the United States will have to conform to the publicity requirements of the Armstrong laws. The committee was instructed by the convention to consider the advisability of calling for two separate statements from companies transacting ordinary and industrial business, and finds that no changes in the blanks are necessary, so that the departments requiring separate statements may call for them in the manner prescribed by the Massachusetts law of 1907. That law permits the aggregate income and disbursements of each department to be carried into its appropriate account of the other department, and the total assets and liabilities shall be so entered that each statement shall show the company's entire resources and liabilities.

In the blanks for all classes of companies, there is given under income a new item, "Gross increase in book value of ledger assets, viz.: (a) Real estate, per schedule A. (b) Bonds, per schedule D. (c) Stocks, per schedule D. (d) Other assets (schedule required)." Similarly under disbursements the gross decrease in book values is called for. In the fire blank a more elaborate division of expenses is called for, so that there will not be very much shown under all other expenses. The life blank, in addition to the new items referred to above, is materially changed in the part showing liabilities, a complete separation of the reserves on the various standards used being called for, and a new item is added, reading "Reserve to provide for health and accident benefits contained in life policies." A further separation is also made in the items of miscellaneous liabilities. The policy exhibit is to show a bona fide new business only; paid up and extended term insurance issued in lieu of premium paying insurance must be treated as a policy change. A number of changes have been made in the schedules and the following new ones added: Schedule X. Unlisted Assets—All assets which are not entered on any other schedule and are not included in the financial statement for the year. Schedule I—Commissions on loans or on purchase or sale of property. Schedule J—Legal expenses paid during year. Schedule K—Expenditures in connection with matters before legislative bodies, officers or departments of government during year. Schedule L—Proceedings at last annual election held. Most of these schedules are from part B of the New York blank. The Gain and Loss Exhibit has been changed in minor respects, the general form of last year being retained.

—The Policyholders Mutual Life is being organized in Toronto on novel lines.

—The National Fraternal Congress and Associated Fraternities of America met in Buffalo on August 19-23. The old question of amalgamation of the two associations came up, and when put to a vote was defeated 129 to 123. On the second ballot, the proposition was lost by a vote of 153 to 75.

INDUSTRIAL INSURANCE

—J. Conley has the enviable distinction of leading the Colonial assistants on the ordinary record for the year. The leading industrial assistant's record is held by F. C. Herrick, Brooklyn.

—The Prudential's superintendency leaders in industrial increase for 1907 are: V. W. Kenney, Baltimore 3; Z. T. Miller, New York 8; G. S. Wainwright, Washington; A. X. Schmitt, Chicago 2; J. Pauer, McKeesport.

—The leading agent of the Colonial on the industrial account for the year is H. Hewson of Elizabeth, whose efforts are closely seconded by J. Grantling of Hoboken. M. Misick of Brooklyn holds the ordinary agency record for the year, followed by T. Egan of Orange.

—The New York 3 and New York 2 districts of the John Hancock Mutual are first in actual increase and average per man for the first seven months of 1907. Among the assistants, M. J. Conway of Springfield is leading in average per man and in gross increase.

—The most recent changes noted by the Colonial are the following appointments to assistancies: Albert Newman, Trenton; Hiram Y. Briggs, Reading; John M. Doyle, Jersey City, and Gilmore Howard, New York. James C. Reilly has been appointed manager of the Paterson district.

—A number of agents of the Life Insurance Company of Virginia are making good records in the point of lapses. Cobb of Richmond has not had a lapse for eight weeks; Hampton of Danville and Beaman of Norfolk have escaped for five weeks; House of Charlotte and Ferguson of Winston have not had any lapses for four weeks.

—Supervisor L. R. Walker of the Life Insurance Company of Virginia visited Atlanta recently, and the agents showed their appreciation by producing the largest quantity of new business that has come from that district in eight weeks. There were eleven dollar writers, mostly in Poindexter's assistancy, and five producers of ordinary.

—The field force of the John Hancock have had a number of enjoyable outings recently, among which was that of the Staten Island district under Superintendent A. Von Mechow; the second annual family picnic of Philadelphia district No. 1; the Greater New York district, at Pelham Bay Park; the second combined outing of the agencies of Newark, Paterson and Hoboken, at Cranberry Lake, N. J.

—The most strenuous struggle ever known to the Colonial among the managers for industrial leadership has been seen this year. Thus far the honors fall to Manager L. Janson of Williamsburg, who has led for three consecutive years. Mr. Janson is, however, pressed most severely by Manager H. J. Whitaker of Harlem. The ordinary managerial leader is H. J. Whitaker of Harlem, followed by L. Janson, Williamsburg.

—The Bankers Union of Chicago is transferring its monthly payment business to the weekly payment industrial plan. The company found that by the weekly plan it would be more able to successfully compete with industrial companies, as the agent calls once a week, thereby giving agents a better chance to hold the business. J. B. Clarke, who was Nebraska manager of the Germania, has returned to Chicago to become vice-president of the company.

—When a thing is told us often and earnestly, we, in time, get to believing it without being conscious of our growing confidence. You'll notice I said "earnesly." There is nothing in this world so powerful to influence the human mind as earnestness and persistence, and I've noticed that the man who has these two qualities will make himself heard. Dwight L. Moody was an example. He could have made himself felt with a 200-word vocabulary.—Jed Scarboro.

—The John Hancock has made the following recent transfers and promotions among its field men: In recognition of meritorious service, former Agent John S. Dutton has been advanced to the position of assistant at St. Louis 2, and in the Troy district Alexander S. Campbell has been accorded a similar promotion. David J. Cohn, formerly agent at St. Louis 1, has been advanced to an assistancy at East St. Louis. Assistant Granville Gardner has been transferred from New York 1 to Brooklyn 4.

—The Prudential announces the following promotions to the rank of assistant: F. C. Hull, Salem; W. Levan, Altoona; E. F. Smith, McKeesport; W. C. Day, Cleveland 1; W. T. Vittetow, Evansville; C. M. Mason, New Albany; T. R. McAron, Saratoga; E. H. Krebs, Pottsville; A. L. Burrucker, Chicago 5; J. Sloan, Ottawa; J. E. O'Brien, Wheeling; J. B. Lang, Newark 3; C. B. Boyd, Dover; P. B. Rose, Poughkeepsie; V. Wirt, Davenport; E. Smith, East St. Louis; L. G. Darby, Grand Rapids; L. D. Johnson, Saginaw; P. G. Stein, Springfield.

—There was once a man who was fearfully afraid he would do more work than he was paid for. He was one of the "watch-the-clock" sort of men. He used to laugh at his fellow-workmen for doing a little more than their duties demanded. One day a lot of men were laid off because times were dull. He was No. 1 on the lay-off list, and when they began to take them back again, somehow he wasn't called. The factory seemed to flourish pretty well without him and his fellow-workmen made even better wages than ever before. Moral—To get your share do a little more than your share.—Lewis Allen.

—The first seven months of the year found the Colonial record practically equal to eleven months of 1906—as good as that record was—and the August returns have already shown that the eighth month of the year will far exceed any like month in the Colonial's history. The tremendous record of the Colonial this year is not confined to one department or to a few districts, but represents each branch of the business, and embraces virtually the entire field. The mid-summer weather, with its vacation diversions and heat, has had no tendency to diminish the work. On the contrary, there seems to have been a greater degree of enthusiasm and perseverance than is frequently shown even in the cooler seasons of the year. The officers of the company feel quite confident that the close of the four months of 1907 will present a matchless record.

—A bill will be presented at the coming session of the Dominion Parliament which will provide that every Canadian company shall deposit with the Government $50,000 in securities, and companies incorporated outside of Canada $100,000. A complete annual statement must be filed, and the bill also provides for the appointment of a Superintendent of Insurance having the rank of a deputy head of a department of the Government.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

The attorneys for the receiver have sent to the claimants of the funds of the North German Fire Insurance Company of New York a copy of his application for appointment of referee to report and determine as to disputed claims. A complete list of claims is included in the application, but from the language of the petition it is inferred all the claims are more or less in dispute, and the receiver has already rejected some of them. He admits some portion of the claims "is a just liability," but adds that he "disputes the amount of said claims respectively." The remarkable thing about the list mentioned is the amounts claimed under reinsurance contracts for losses, mainly in San Francisco, by various insurances companies which paid in full. Among them are the Hamburg-Bremen, for $7046; Sun of London, $7633; Globe-Rutgers, $2017; National of Hartford, $10,984; Home of New York, $15,999; Insurance Company of North America, $36,286; Firemans Fund of San Francisco, $10,506; Westchester, $12,750; American of Newark, $3772; Royal Exchange, $2477; Northern of London, $19,818; Traders of Chicago, $2474. Besides these, about a dozen more companies' names are given as claimants of smaller sums. Truly, the North German did a risky reinsurance business for its neighbors on the Coast.

The adjustment of the loss on the brick hotel, restaurant and dance hall building by the Coney Island fire of July 28 has brought to light some singular underwriting forms, indicating either ignorance on the part of underwriters of what the assured supposed he was paying for, or design on the part of the brokers to convince the assured that their form was sufficient. The pivot of the case is that the form said: "the brick and stone building, additions, extensions and connections thereto; also all appurtenances, appliances and equipments to said building situate, etc., occupied as dance hall, hotel and other purposes not more hazardous." The facts are the connection between the brick building and the frame bath-house and bathing pavilion was by a wooden passageway planked on the sides. The frame building extended to the ocean front. The rate card on the brick building was $3.75, without mention of the frame extension, but the rate on all the frame buildings on the block, which included a portion of the premises for which claim is made, was $5.25. The question is, does the policy form cover the frame extension? A meeting of the companies, held on the 27th ult., left the question open, but there is an agreement as to values and in the sentiment that the form may be stretched so as to compel companies to pay a loss on a $5.25 risk for a $3.75 rate; and if it is, then the companies have violated the rates.

It seems as if the companies are paying dearly for their own folly in granting insurance beyond actual value; but at the same time, the owners are held down so strictly to the coinsurance requirements they are justified in taking enough insurance to save themselves. The loss on the car barn building of the New York City Railway, on Madison avenue and Eighty-fifth street, by the fire of June 16 last, has opened up a valuation question interesting and important. The values estimated by builders and mechanics are all above the $90,000 total insurance, and therefore involve a total loss. But a depreciation is claimed for the unsuitableness of the premises for present purposes, having been intended for a horse-car barn and stable and not for an electric line. One floor was let for automobile storage. It is estimated a building covering the same area but of different construction would serve the assured better than the old, and at one-half the old costs. There are equities on both sides, but it seems likely the companies will have to pay a total loss for a building which, if rebuilt on the same lines, would be useless to owners, and on land worth more without the stable building than if it were rebuilt. The companies will growl probably for a few weeks, and then plank down their cash as if it were exactly right.

Another inter-insurance concern, an offshoot of the Indemnity Exchange of Chicago, is in the field with circulars offering to subscribers the benefits (?) of their association on a basis of a reduction of twenty-five per cent from the regular tariff rates. This concern is modest, however, in a pledge not to accept more than a $50,000 line on any one risk, nor more than $50,000 in any one block, or a total of $150,000 in any one city. This conservatism is intensified by limiting all policies to sprinklered risks. The names appended are respectable in a commercial sense, but it is likely to remain a small affair on the lines proposed.

Some of the literature put out in support of new companies is rather more amusing than truthful. The Excelsior has flooded the country with circulars soliciting business and recapitulating the small expense account and the limitation to properties protected by automatic sprinklers. The circular says: "Our policies afford greater protection than any other joint stock fire insurance company in America." Shades of the Home, Ætna and Continental, defend us!

The liability companies which are empowered under the new law to accept policies against collision of automobiles find that they are handicapped by their inability to accept fire risks, and that they lose many premiums in the competition with the English Lloyds, whose policies cover all risks. It is reported that a project is on foot to make a double contract upon autos, to include fire, collision, accident, theft, etc., by joining a marine policy to a regular liability policy covering collision. This is a broker's invention to comply with the law and avoid controversy with the Insurance Department.

Several bulletins have been received here by agency companies recently from agents in the Northwest, complaining that many of the best local lumber yard risks and country elevators have been lost to the agents by the wiles of city agents in Milwaukee, Chicago and Minneapolis. One company, on searching its files, discovered that a line lost by its agent in Eau Claire, Wis., had been written and reported by its own agent in one of the cities named. Further inquiry developed that the whole line on this particular risk had left the local agents and been carried off to the big city.

There was a slight revival of demand for new business last week, but a falling off in the early September renewals, which was a bad omen for the month.

Alonzo R. Williams, superintendent of fire underwriters of New York, has died at Toronto, where he went to attend the convention of insurance men and was taken ill.

The Austin Fire and Commonwealth Fire of Dallas, Tex., have complied with the requirements of the New York Exchange.

The firm of Loeb & Barry was dissolved on September 1. The Shawnee Fire Insurance Company of Topeka, Kan., and the New Jersey Fire Insurance Company of Camden, N. J., will hereafter be represented in the Metropolitan district by Lockwood & Barry, 118 William street. J. Ramsay Barry and Leslie C. Lockwood compose the new firm. Mr. Lockwood is also a member of the firm of Gold & Lockwood. J. Ramsay Barry & Co. will continue to represent the Shawnee Fire and the New Jersey Fire as general agents, with offices at 118 William street.

BOSTON AND VICINITY.

It has been quite a number of years since local underwriters have been so busy as during the past two or three months. The number and disastrous results of the fires have been almost unprecedented, even throughout New England, partially due, no doubt, to the protracted drought. The past week has recorded two fires in Boston—one on a coal wharf entailing a loss of about $30,000, and another dock storage fire, resulting in a loss of about $300,000.

The agency of H. G. Fairchild & Co. is to be removed from Kilby and Water streets to the Appleton building, Liberty Square.

The following officers of the New Hampshire Local Fire Insurance Agents Association have been elected: President, Louis C. Morrill, Concord; vice-presidents, A. B. Palmer, Keene; B. H. Corning, Littleton; F. E. Small, Rochester. Executive committee, A. S. Bunton, Manchester; G. A. Vermille, Manchester; G. W. Taylor, Manchester; James B. Crowley, Nashua; Geo. D. Barrett, Dover.

The Boston Board of Fire Underwriters is to hang on the wall of its rooms a large portrait of the late Secretary Osborne Howes.

The New England Insurance Exchange has adopted the following rule relative to moving picture machines, which is a modification of

the original rule, which provides for a one per cent increase in the rates of all policies covering buildings where these machines are used: "Local committees may promulgate a reduction of not over seventy-five cents from the one per cent minimum charge for the installation of moving picture machines when installed in strict compliance with the rules of the National Board and the national electrical code."

Insurance Commissioner Carr of Maine has issued his annual report on fire insurance. It shows that the amount of risks written during the year was $172,938,351.81, as follows: Companies of other States and countries, $160,276.961.38; Maine mutual companies, $12,178,098.45; special brokers, $483,292. Total amount of premiums, $2,642,894.62, as follows: Companies of other States and countries, $2,466,856.29; Maine mutual companies, $160,457.57.

The German Union of Baltimore has been authorized to transact business in Massachusetts. It will be located in the office of Gilmour & Coolidge, Boston.

In the papers every Monday morning appears the regular list of Sunday automobile casualties. The latest list gave the name of W. W. Merrill, a Boston insurance man, among those killed.

NOTES FROM PHILADELPHIA.

Billington, Hutchinson & Co., who control the Jefferson Fire Insurance Company of this city, will on or about the 15th inst. remove from 325 Walnut street to that company's remodeled building at 425 Walnut street.

The many friends of John H. Packard, former president of the American Fire Insurance Company of Philadelphia, were much pleased last week to hear that he had located satisfactorily. On Monday he entered upon the duties of his new position as agency secretary of the United States branch of the London Assurance Company.

An important consolidation took place on Monday, when Horace Walton and Francis A. Donaldson & Son, first and second agents, respectively, of the Queen Insurance Company in this city, formed a partnership under the firm name of Donaldson, Walton & Co., and moved to 203 South Fourth street from the offices which they have occupied so long.

James E. Walsh removed his offices to 504 Walnut street on September 1.

R. C. Clark, Western Pennsylvania special agent of the National Union Fire of Pittsburg, has been transferred to Indiana as successor to Special Agent P. W. Greene, resigned. Special Agent J. B. Sirich has been transferred from the Virginia and North Carolina field to succeed Mr. Clark, and the place vacated by Mr. Sirich has been filled by the appointment of S. B. Hulfish.

On September 1 William G. Mockett resigned the position to which he was recently appointed as superintendent of the Underwriters Association of the Middle Department, to become the Western Pennsylvania and West Virginia special agent of the Connecticut Fire. Several years ago Mr. Mockett was connected with the agency of Charles Platt, Jr., & Co. in this city, and subsequently was appointed stamp clerk at Scranton, Pa.

Many underwriters have taken as a huge bluff or joke the recent suggestion that in order to facilitate the work on the Market street subway the open ditch method be resorted to, thus practically closing the street to travel and the operation of the firemen in case of necessity. Nobody seems to have really favored the idea so the proposition died in its birth. A suggestion that the association was considering an advance in rates brought the following amusing editorial comment from The Philadelphia Inquirer: "The underwriters never need much provocation to put a pink slip on Market street, anyway."

After thoroughly remodeling his office, John W. Buchman reoccupied it last week.

B. H. Wood, local manager of the Royal, returned this week from a three weeks' trip through Maine and Canada.

The annual meeting of the stockholders of the Pennsylvania Fire for the election of nine directors was held on Monday morning.

THE MIDDLE STATES.

—George R. Peck of Syracuse has been appointed New York State special agent of the Pennsylvania Fire.

—The Washington Fire of Seattle is entering New York State. Arthur Lennsen, Jr., has been appointed general agent.

—W. R. Somerville of Detroit, Mich., special agent of the British America and the Western of Toronto for some years, has been transferred to the New York State field outside the Metropolitan district. He succeeds John Monks.

—H. E. Whitelock, supervising special agent of the Standard Life and Accident in Pennsylvania, New Jersey and Delaware, has resigned that position, and will be succeeded by N. E. Nyce of Reading. Mr. Whitelock will go to Williamsport, Pa., where he will have a third interest in the agency of the Williamsport Insurance Exchange. This agency will continue to represent the Standard Life and Accident as general agent for Northern Central Pennsylvania. It will also represent as State agent the Northern of New York and India Mutual of Boston, and as general agent the Cosmopolitan of New York and the Delaware of Dover.

THE WEST.

—Congressman Harry M. Coudrey of St. Louis is prominently named for Mayor of his home city in 1909.

—W. M. Umbdenstock has been appointed Cook county general agent of the Southern National of Austin, Tex.

—The Hamburg-Bremen has appointed H. McClain of Purcell, I. T., special agent for Oklahoma and Indian Territory.

—Howard A. Blossom, treasurer of the St. Louis Insurance Agency Company and well known in insurance circles, is dead.

—Howard V. Luce, son of Charles Luce, Michigan State agent of the Phenix, has been appointed Michigan special agent of the Sun of London.

—The Wisconsin Association of Local Fire Insurance Agents has elected O. S. Morse, Janesville, president, and George Y. Wilkinson, Milwaukee, secretary and treasurer.

—General sympathy is felt among insurance men for H. H. Glidden, manager of the Chicago Board of Underwriters, whose wife died last week at her home in Evanston, Ill., after a prolonged illness.

—It is reported that some of the mutual fire companies of Arkansas which flourished while the regular stock companies were out of the State are getting into deep water, more than a hundred loss claims awaiting hearings in the courts at Little Rock.

THE SOUTH.

—G. Russell Ladd and Julius A. Smith have become members of the firm of Thames & Batré of Mobile, Ala. The firm name remains unchanged.

—The thirty-eighth convention of the National Convention of Insurance Commissioners will be held September 17-19 at the Jefferson Hotel, Richmond, Va.

—It is possible that the Mount Royal pumping station, on North avenue, Baltimore, will be abandoned, as it may be found that the foundation of the plant is not substantial enough to support the weight of the pumps.

—John L. Jeffries, Harry K. Wolcott and Edward W. Wolcott announce that they have formed a copartnership for the general practice of law, under the firm name of Jeffries, Wolcott & Wolcott, which succeeds the firm of Wolcott & Wolcott, with offices on the fourth floor of the Atlantic Trust building, Norfolk, Va.

THE PACIFIC COAST.

Firemans Fund Insurance Company.

An exhaustive examination of the affairs of the Firemans Fund Insurance Company of San Francisco has just been completed by Actuary S. H. Wolfe for the Insurance Department of California, and was referred to at length in THE SPECTATOR recently. The semi-annual statement of the company, dated June 30, 1907, shows admitted assets of $5,345,575, total liabilities $3,166,662, of which $2,702,259 is reinsurance reserve, leaving a net surplus, outside of the cash capital of $1,600,000, amounting to $578,913. In the report of the California Department, dated July 26, 1907, Actuary Wolfe says:

> It is difficult to imagine any institution being subjected to a more severe test than was the Firemans Fund Insurance Company. It has emerged from it with its reputation untarnished and its excellent plant intact.

The officers of the company are: William J. Dutton, president; Ber-

nard Faymonville, vice-president; J. B. Levison, second vice-president and marine secretary; Louis Weinmann, secretary, and C. W. Kellogg, manager.

—The Scottish Union and National are writing again in San Francisco.

—The California Insurance Company will occupy their new building on the corner of Sacramento and Leidesdorff streets, San Francisco, after September 15.

—The Firemens of Newark have at last secured a license from Insurance Commissioner Wolfe of California, and are writing San Francisco business freely.

—The San Francisco Brokers Exchange has some three hundred members. An office in the Merchants Exchange is being maintained for the benefit of members.

—The Inland of Spokane is writing surplus business in San Francisco through Fred Tebben. It is stated that the Inland will regularly enter California after the first of the year.

MISCELLANEOUS FIRE NEWS.

Semi-Annual Statements of Fire Insurance Companies.

The following table shows a comparative exhibit of the surplus of the companies reporting to the Georgia Department, as of December 31, 1906, and June 30, 1907, together with the income and expenditures during the first six months of the year 1907:

NAME AND LOCATION OF COMPANY.	SURPLUS.		Income 1st Six Months 1907.	Expenditures 1st Six Months 1907.
	Jan. 1, '06.	July 1, '07.		
Ætna, Hartford	$4,466,072	$4,458,570	$3,828,430	$3,344,743
Agricultural, Watertown	377,796	459,104	834,490	710,561
Alliance, Philadelphia	171,026	226,072	440,499	229,296
American Central, St. Louis	1,026,730	1,046,508	1,400,891	1,269,653
American, Newark	1,463,510	1,200,835	1,910,577	1,300,698
Athens Mutual, Athens	5,914	4,261	17,461	13,657
Atlanta Home, Atlanta	95,596	125,142	59,969	40,941
Atlas, London	633,181	609,697	784,322	†704,235
British America, Toronto	455,030	485,538	779,822	739,148
Caledonian, Edinburgh	527,225	626,778	727,862	*872,683
Citizens, St. Louis	71,142	135,815	241,294	222,133
Commercial Union, London	1,613,066	2,031,647	2,039,039	2,076,950
Connecticut, Hartford	859,460	1,282,187	1,974,258	1,649,563
Continental, New York	8,428,734	8,001,895	3,605,198	3,000,269
Equitable, Charleston	44,371	33,181	67,957	68,014
Fidelity Fire, New York	1,000,000	1,045,600	503,616	310,604
Fire Association, Philadelphia	1,431,468	1,654,975	1,449,359	1,268,834
Firemans Fund, San Francisco	512,731	578,913	4,162,537	2,731,732
Firemens, Newark	1,915,686	2,003,140	801,507	710,702
Georgia Home, Columbus	264,545	271,875	559,601	536,818
German Alliance, New York	459,417	398,123	319,531	309,208
German-American, New York	5,130,426	4,851,284	3,175,808	3,215,078
Germania, New York	1,094,933	1,311,007	1,488,565	1,220,865
Girard F. and M., Philadelphia	465,308	405,410	455,722	529,144
Glens Falls, Glens Falls	1,886,054	2,014,697	998,405	788,870
Globe and Rutgers, New York	1,258,529	1,161,131	1,737,942	1,561,437
Hamburg-Bremen, Hamburg	406,029	411,276	*d*892,756	*d*1,121,124
Hanover, New York	892,290	856,241	1,242,761	1,206,850
Hartford Fire, Hartford	2,783,254	2,954,683	7,440,479	‡6,675,896
Home, New York	7,408,355	6,823,853	5,628,539	4,557,412
Ins. Co. of North Am., Phila.	1,035,640	1,171,441	4,069,483	3,915,341
Jefferson, Philadelphia	241,519	231,729	487,859	348,896
Liv. & Lon. & Globe, Liverp'l.	4,623,651	3,968,718	3,104,045	4,229,767
Liv. & Lon. & Globe, N. Y.	245,999	302,236	117,517	102,890
London & Lancashire, Liverp'l	1,057,897	1,127,394	1,136,838	872,577
Lumber Mutual, Boston	178,304	211,295	134,875	112,359
Mercantile Mutual, Providence.	119,675	101,829	195,689	147,832
Michigan Commercial, Lansing	101,101	71,863	422,934	429,088
National, Hartford	1,228,442	1,347,010	3,462,482	2,619,765
National Union, Pittsburg	260,144	334,762	796,580	667,674
New Hampshire, Manchester	1,259,392	1,261,996	1,095,531	950,169
Niagara, New York	1,020,208	807,146	1,756,968	1,499,429
North Brit. & Merc., London	2,687,485	2,425,443	2,298,211	*b*1,870,536
Northern, London	1,183,907	1,496,768	§1,575,622	§1,277,745
North River, New York	224,524	246,505	841,706	788,098
North State, Greensboro	124,184	116,081	145,220	58,622
Norwich Union, Norwich	827,816	939,481	1,209,159	1,066,384
Orient, Hartford	260,362	349,058	665,750	546,590
Palatine, London	1,106,243	1,218,495	883,227	861,595
Phenix, Brooklyn	1,626,824	1,122,258	3,635,733	3,531,985
Phœnix, Hartford	1,263,323	1,355,069	2,493,268	2,137,967
Phœnix, London	942,225	912,843	1,255,548	¶1,192,497
Queen, New York	1,834,469	2,015,617	2,254,481	1,884,410
Rochester German, Rochester	510,485	541,510	661,575	598,130
Royal, Liverpool	2,130,046	3,596,332	*c*3,912,572	*c*3,631,844
Scottish Union & Nat., Ed'bgh.	2,186,506	2,333,158	1,148,741	996,509
Southern Mutual, Athens	767,104	644,122	173,711	*a*175,781
Springfield F. & M., Springf'd.	1,122,880	1,068,598	2,591,126	2,193,218
St. Paul F. and M., St. Paul	738,180	1,026,076	2,009,410	1,289,428
Sun, London	931,093	1,014,936	1,518,677	1,425,065
Sun, New Orleans	223,440	216,038	332,682	293,595
United Firemens, Philadelphia.	75,730	102,720	358,711	303,851
Virginia State, Richmond	162,975	86,731	385,724	390,837
Westchester, New York	1,011,275	910,521	1,352,113	1,307,663
Western, Toronto	483,990	588,465	1,292,039	1,339,806
Williamsburgh City, Brooklyn.	764,094	669,988	715,697	742,901

* Excluding $6712 remitted to home office. † Excluding $149,048 remitted to home office. ‡ Excluding $1,300,000 paid on loan. § Excluding $278,175 received from, and $445,096 remitted to home office. ¶ Excluding $201,837 remitted to home office. *a* Includes $96,685 paid for dividends. *b* Excluding $557,193 remitted to home office, *c* Excludes $100,893 received from, and $492,981 remitted to home office. *d* Excluding $20,247 received from, and $119,373 remitted to home office.

Where Fire Insurance Dividends Come From.

It has been a favorite contention among those given to criticising fire insurance rates that the dividends paid to stockholders of fire insurance companies evidenced improper and exorbitant charges for indemnity. In the light of the facts shown in the accompanying table, demonstrating, as they do, that sixty-five millionaire companies' investment earnings not only paid their aggregate dividends in the last decade, but contributed $51,701,874 to make up deficiencies in the underwriting account or to strengthen surplus funds, the contention referred to is shown to have practically no foundation. In addition to the excess of investment earnings over dividends, stockholders have contributed to surplus funds, either by payment of assessments, by premium on new stock issued, or by reduction of stock, the sum of $18,973,041, thus making an aggregate of $70,674,915 in excess of dividend payments, which has either been earned by investments or contributed by stockholders. As a matter of fact, the underwriting operations of the bulk of the companies have resulted in serious net losses in several years of the last decade and have yielded a very severe loss for the entire period, which included two great conflagrations.

NAME OF COMPANIES.	Income from Investments.	Contributions of Stockholders.	Dividends Paid.	Excess of Investment Income and Contributions Over Dividends.
	$	$	$	$
Ætna, Hartford	5,482,995	......	7,032,000	—1,549,005
Agricultural, Watertown	1,067,345	......	500,000	567,345
Allemannia, Pittsburg	309,938	......	136,000	173,938
Alliance, Philadelphia*	69,011	733,786	20,000	782,797
American, Newark	1,853,396	......	766,797	1,086,599
American Central, St. Louis	1,224,941	949,670	941,518	1,233,093
Boston, Boston	1,443,492	......	1,130,000	313,492
Buffalo German, Buffalo	937,955	......	550,000	387,955
Camden Fire, Camden	347,135	......	204,340	142,795
Commonwealth, New York	500,778	......	365,000	135,778
Concordia, Milwaukee	393,783	50,000	142,000	301,783
Connecticut, Hartford	1,797,088	500,000	1,043,111	1,253,977
Continental, New York	6,249,861	......	2,946,972	3,302,889
County Fire, Philadelphia	407,496	......	248,000	159,496
Delaware, Philadelphia	714,699	118,850	298,741	534,808
Detroit F. and M., Detroit	737,397	......	500,000	237,397
Eagle Fire, New York	963,855	750,000	1,101,539	612,316
Equitable F. and M., Providence	389,838	......	247,500	142,338
Federal, Jersey City*	344,816	100,000	250,000	194,816
Fidelity Fire, New York.*	56,368	......	......	56,368
Fire Association, Philadelphia	2,815,628	1,250,000	2,013,032	2,052,596
Firemans Fund, San Francisco	3,269,272	5,059,222	1,120,000	7,208,494
Firemens, Newark	1,416,911	......	1,046,041	370,870
Franklin, Philadelphia	963,776	300,000	790,221	473,555
Georgia Home, Columbus	606,866	......	408,000	198,866
German Alliance, New York	461,489	......	216,000	245,489
German American, New York	4,562,015	......	3,525,000	1,037,015
Germania Fire, New York	1,890,803	......	1,560,000	330,803
Girard F. and M., Philadelphia	912,647	400,000	649,500	663,147
Glens Falls, Glens Falls	1,872,557	......	870,000	1,002,557
Globe and Rutgers, New York	627,985	......	292,000	335,985
Hanover, New York	1,605,578	250,000	850,000	1,005,578
Hartford Fire, Hartford	4,482,002	3,000,000	4,330,528	3,151,474
Home, New York	6,713,181	......	4,050,000	2,663,181
Ins. Co. of North America, Phila	4,349,066	......	3,600,000	749,066
Lumbermens, Philadelphia	583,824	......	255,000	328,824
Mechanics, Philadelphia	410,785	......	205,053	205,732
Michigan F. and M., Detroit	428,817	200,000	248,000	380,817
Milwaukee Mechanics, Milwaukee	1,167,501	300,000	770,000	697,501
National, Allegheny	290,535	166,013	181,821	274,727
National, Hartford	2,402,569	......	1,150,000	1,252,569
National Union, Pittsburg*	391,608	1,050,000	30,000	1,411,608
New Hampshire, Manchester	1,571,290	......	981,000	590,290
Niagara Fire, New York	1,811,389	750,000	670,262	1,891,127
North River, New York	585,656	......	280,344	305,312
Northwestern National, Milwaukee.	1,335,343	......	819,000	516,343
Orient, Hartford	897,574	83,000	625,000	355,574
Pennsylvania, Philadelphia	2,279,060	1,050,000	1,000,000	2,329,060
Petersburg Savings & Ins., Petersburg	1,208,555	......	220,000	988,555
Phenix, Brooklyn	2,455,188	1,000,000	1,150,000	2,305,188
Phœnix, Hartford	2,629,992	......	2,721,000	—91,008
Providence Washington, Providence	981,378	......	452,000	529,378
Queen, New York	1,828,896	......	1,500,000	328,896
Reliance, Philadelphia	410,348	......	198,000	212,348
Rochester German, Rochester	617,715	600,000	195,000	1,022,715
Security, New Haven	498,179	112,500	225,000	385,679
Shawnee, Topeka	242,417	100,000	74,000	268,417
Spring Garden, Philadelphia	646,457	......	252,000	394,457
Springfield F. and M., Springfield	2,052,908	......	1,750,000	302,908
St. Paul F. and M., St. Paul	1,445,158	......	500,000	945,158
Sun, New Orleans	535,899	......	486,295	49,604
United Firemens, Philadelphia	711,326	100,000	300,000	511,326
Virginia F. and M., Richmond	443,964	......	200,007	243,957
Westchester, New York	1,431,739	......	510,000	921,739
Williamsburgh City, Brooklyn	923,852	......	640,430	283,422
Totals	$95,061,885	$18,973,041	$62,333,052	$51,701,874

* Company in business less than ten years.

—The New York Surety Company, being organized by J. J. Caullet, has established organization offices in the Royal building, 84 William street, New York. Various reports, more or less conflicting, are being circulated as to the probable official roster of the new company. United States Senator Briggs of New Jersey is said to be slated for the presidency.

Brooklyn Fire Premiums.

The following are the returns for the fire patrol district of Brooklyn for the first six months of 1907, as reported to the Fire Insurance Salvage Corps of Brooklyn. Only companies reporting premium receipts of $2500 or over are mentioned. The figures for the corresponding period of 1906 are given for comparison:

NEW YORK CITY COMPANIES.	1907.	1906.
Adirondack	$3,964	......
City of New York..	8,797	$8,086
Colonial	7,004	8,640
Commercial Union.	3,741	3,619
Commonwealth	11,444	6,982
Continental	77,885	75,979
Cosmopolitan	8,071	......
Eagle	9,548	14,515
Empire City	11,625	5,869
Fidelity	11,512	......
Germania	39,393	41,973
German Alliance....	13,859	8,210
German-American ..	132,731	111,337
Globe and Rutgers..	35,143	42,414
Hanover	32,152	19,639
Home	102,814	106,685
Lumber	4,307	1,986
Nassau	23,271	19,651
N.Y. Undwrs. Agcy.	31,834	29,863
Niagara	62,783	53,591
N. Brit. & Mer'tile.	11,533	9,647
Northern	13,228	15,297
North River	36,448	21,068
Pacific	7,751	11,757
Pelican	3,724	3,407
Peter Cooper	7,919	1,405
Phenix	108,359	106,706
Queen	28,421	22,787
Stuyvesant	11,549	11,864
United States	9,496	......
Westchester	27,775	30,274
Williamsburgh City.	36,943	39,054
LLOYDS.		
Garfield Lloyds	$3,780	......
Individual Undwrs..	6,444	$7,085
N. Y. Recip'l Und.	21,560	17,012
N. Am. Inter-Ins...	7,509	6,590
FOREIGN COMPANIES.		
Aachen & Munich..	11,669	6,803
Alliance	$3,078	$7,069
Atlas	12,828	12,208
British America.....	18,180	14,771
Caledonian	17,326	19,463
Commercial Union..	49,203	32,451
Hamburg-Bremen...	22,704	22,376
Law Union & Crown	11,765	8,380
Liv. & Lon. & G..	134,885	118,921
London	26,152	16,986
Lon. & Lancashire.	26,693	27,393
North Brit. & Merc.	64,048	52,940
Northern	34,643	32,053
Norwich Union	19,879	21,965
Palatine	7,734	5,570
Phœnix	27,606	20,552
Prussian National...	11,762	9,567
Royal	72,593	68,924
Royal Exchange....	28,892	32,331
Salamandra	3,037	2,470
Scot. Union & Nat.	18,537	24,493
Sun	36,122	35,019
Svea	4,209	4,244
Union	20,600	27,689
Western	22,127	23,805
AGENCY COMPANIES.		
Ætna	$37,165	$35,356
Agricultural	$8,557	$8,223
Albany	9,284	9,289
Allemannia	4,093	4,040
Alliance, Phila.	5,492	5,556
Am. Central, St. L.	16,766	14,428
American, Newark..	14,600	10,988
Ben Franklin........	9,561	7,497
Boston	34,031	10,821
Buffalo Commercial	4,668	5,565

AGENCY COMPANIES—Cont.	1907.	1907.
Buffalo German.....	9,863	14,685
Camden	14,673	14,062
Citizens, St. Louis.	10,059	9,493
Commerce	3,613	3,557
Concordia	11,688	9,402
Connecticut	25,117	24,443
County Fire	3,947	3,710
Delaware, Dover....	5,290	10,083
Delaware, Phila. ...	13,656	5,540
Detroit F. & M.....	4,559	2,590
Dixie	5,024	......
Dubuque F. & M..	7,878	12
Dutchess	3,826	1,024
Eastern Fire	5,304	3,668
Equitable F. & M..	9,165	10,693
Farmers, York......	5,421	3,268
Fire Assn., Phila...	33,571	17,989
Firemans Fund	10,489	12,181
Firemens, Newark..	26,285	24,000
Franklin, Phila.	14,865	16,279
Ger.-Am., Baltimore	2,788	2,355
German Fire	2,821	1,981
German, Peoria	9,277	7,962
German, Pittsburg..	2,951	3,467
Ger.Union,Baltimore	2,854	......
Georgia Home	2,814	3,613
Girard F. & M......	5,082	3,291
Glens Falls	16,347	15,850
Granite State	6,708	8,410
Hartford	54,656	52,564
Humboldt	2,996	2,293
Ins. Co. of N. Am.	25,190	20,927
Ins. Co. of State Pa.	13,924	......
Jefferson	12,273	13,440
Mechs. & Traders..	6,097	6,247
Mechanics, Phila...	3,879	3,960
Metropolitan	3,769	3,413
Mich. Commercial..	10,093	3,336
Milwaukee Fire.....	2,198	1,100
Nat. Fire, Allegheny	2,725	2,588
National, Hartford.	34,919	24,285
National Union.....	12,976	11,800
New Brunswick.....	4,876	6,000
New Hampshire....	18,239	24,555
New Jersey	11,501	......
Northwt'n F. & M..	2,273	......
Northwestern Nat'l.	14,287	11,956
Ohio German........	4,234	......
Old Colony	3,071	......
Orient	13.488	8,850
Pennsylvania	27,130	37,947
Phœnix, Hartford...	32,328	24,656
Prov. Washington..	12,213	16.205
Reliance	5,427	6,587
Rochester German..	10,447	1,505
St. Paul F. & M....	25,470	21,601
Security, N. Haven.	11,182	3,400
Shawnee	13,834	......
South'n, Lynchburg	3,480	......
South'n, N. Orleans	4,274	......
Springfield F. & M.	25,836	28,646
Spring Garden	6,961	5,566
Spring Garden and Ins. Underwriters.	16,560	3,303
Standard, Trenton..	4,337	290
Teutonia, Allegheny	3,437	5,276
Union, Buffalo	5,961	3,534
Union, Phila.	12,045	11,251
Virginia F. & M....	8,420	8,205
Western, Pittsburg.	4,494	720
Western Reserve....	2,943	1,468
RECAPITULATION.		
Agency companies..	$932,966	$792,593
Foreign companies.	706.365	650,121
Local companies....	991,993	905,382
Totals	$2,631,324	$2,348,096

Concrete and Cupidity.

The recent fatal collapse of the Bridgman building in Philadelphia, which took place while it was yet under construction, sounds another warning as to the great perils attaching to careless construction of armored concrete buildings, and the growing necessity for the very strictest supervision of such work. Never has the engineer developed a more useful material of construction than when he devised that ingenious and thoroughly scientific combination known as armored or reinforced concrete. On the other hand, never did he open up to the eyes of the unscrupulous and "shoddy" builder such prospects of unlawfully but quickly acquired gain. Intelligently designed, carefully compounded, and put together with due deliberation and proper time allowances for setting and bonding, armored concrete is one of the cheapest and most reliable forms of building construction the world has ever known. But whenever the design is intrusted to incompetent hands, and the construction done by contractors whose sole concern is to rush the work and secure early payments for the same, armored concrete is one of the most perilous materials that could be imagined. Already the ignorance and cupidity which are rampant have succeeded in putting armored concrete under a heavy cloud of distrust, from which it will take many a long year to recover. If the public is not to lose entire confidence, some speedy reform or drastic preventive legislation must be quickly introduced. The design of reinforced concrete, at least in the case of the more important structures, should be restricted to engineers aud architects who are familiar with this branch of the arts, which should be safeguarded hy laws drawn up for its special protection.—Scientific American.

ACKNOWLEDGMENTS.

—Volume XXVII. of The Surveyor, covering the year 1906.

—The Wisconsin Insurance Report for the year ended December 31, 1906, fire and marine volume.

—The thirty-ninth annual report of the Insurance Commissioner of Maine, covering the condition and business of all insurance companies operating in that State as of December 31, 1906.

—The Department of Commerce and Labor, Bureau of the Census, has issued "Statistics of Women at Work," based on unpublished information derived from the schedules of the twelfth census.

—The fifty-second annual report of the Insurance Commissioner of Massachusetts, setting forth the condition and business of all stock and mutual fire insurance companies as of December 31, 1906.

—The Pennsylvania Insurance Report for the year ended December 31, 1906, covering the financial condition and business transacted by all stock fire, fire marine and mutual fire insurance companies.

—The "Argus Comparative Chart for the Eastern and Southeastern States and Canada," and the "Argus Comparative Chart for the Western, Pacific Coast and Southern States," showing the premiums and losses in 1906 of each company in each State, have been issued in pamphlet form by the Rollins Publishing Company. Price is $1 each.

—"Fire Insurance in New England for Ten Years" is the title of a book issued by the Standard Publishing Company, which shows the risks written, premiums received, losses incurred and loss ratios for the respective companies in each of the New England States, in each year of the last decade; also the total New England business of each company.

—The "Insurance Directory and Business Chart of Baltimore City, Washington, D. C., and the States of Maryland, Delaware and West Virginia," for 1907, has been published by Jas. H. McClellan. It presents lists of agents, by towns, with names of companies represented; standing of companies; business by States, and other data, and sells at $1 per copy.

Casualty, Surety and Miscellaneous

The Detroit Conference.

The annual meeting of the Detroit Conference was held at Grande Point, Mich., last week. Louis H. Fibel, president of the Great Eastern Casualty, was elected president; L. O. Chapman of the Phœnix Preferred Accident and Reinhold R. Koch of the American Assurauce, vice-presidents; W. H. Howland, of the Fidelity Accident and Protective of Saginaw, secretary; D. E. Stevens of the Commonwealth Casualty, treasurer, and J. R. Pitcher of the United States Health and Accident, chairman of the executive committee. The Michigan Casualty and the New York Casualty were elected to membership. Hereafter semi-annual meetings will be held instead of quarterly meetings.

Reinhold R. Koch, president American Assurance Company of Philadelphia, delivered an excellent address on "The Agent: His Duties Toward Policyholders and Company," from which the following extracts are taken:

"I have said that the agent is responsible, nine times in ten, for the existence of dissatisfied policyholders in his particular field of operation; and in giving utterance to this statement I think I have confined myself strictly within the pale of mathematical precision. An experience of some nine years in the active administration of the affairs of the company with which it is my privilege to be identified has convinced me that the one great and seemingly insurmountable cause of dissatisfaction upon the part of the policyholders—the most mischievous, unreasonable and unwarrantable cause—has its beginning with the presentment of claims that are practically or wholly without merit, and which the company is expected to pay without question. And I am sure that this experience has its counterpart in the claims department of every company engaged in this branch of the insurance business. Equally certain am I that much of this dissatisfaction—much the greater part of it—can be rendered quite out of the question if agents can be brought to a correct understanding and appreciation of their relationship to the company they represent.

"The insurance agent occupies a position that is somewhat dualistic in its character, and necessarily so, since he must frequently act both for the company and its policyholder—as a mediator, in fact—particularly in the matter of presenting, adjusting and paying claims. His relationship to his company prompts him to look carefully after its interests and to do what may be possible, consistent with honesty of purpose, to safeguard it against the payment of those claims which are without merit. His relationship to the policyholder, on the other hand, dictates to the discerning agent that he should perform his duty with an un-

flinching determination to so act as to preclude the possibility of being charged with prejudice. * * *

"Another cause of dissatisfaction is due to deception on the part of the agent, or to misrepresentations made by him to the prospective applicant. This reprehensible conduct does not necessarily imply a deceitful act on the part of the agent or a false word spoken, but rather an act unperformed or the truth left untold. A lie by inference is quite as vicious as though uttered. The prospective applicant for insurance has a right to know all about the character of the policy that is being presented to him for his consideration or urged upon him. If several policies are under examination, it is the duty of the agent, acting in his dual capacity of representing both the company and the prospective applicant, to clearly define the differences that exist between them. Never should a policyholder be permitted to continue to carry his insurance under a delusion or misapprehension concerning its terms, provisions and conditions. To do so invariably leads to trouble, in which both the company and the agent suffer evil consequences that could and should have been avoided.

"Let the agent keep uppermost in his mind the fact that his relation to the company he represents is of such a character as to demand the best that is in him; the best efforts he is capable of putting forth; the best energy, the most painstaking, truthful, methodical, careful, upright conduct at all times and under all circumstances. Such an agent is an ideal, and all companies are looking for him; and when they find him they appreciate him to the extent that they are not only willing but anxious to make his work as rosy and profitable as possible. To paraphrase a line, they 'grapple him to their souls with hoops of steel.'

"It is a question in my mind, however, whether this ideal will ever become plentiful under the present system of employing agents. I incline to the opinion that the time is rapidly approaching, if indeed it has not already arrived, when the ideal agent will be created out of the raw material and equipped for field work by a careful training at the hands of employing companies. Schools of instruction have already been established by a few of the larger life companies, but these appear to be rather theoretical than practical. I venture to say that in the near future each company will have its own training school, wherein young men will be equipped for the field just as large commercial houses train and equip their traveling salesmen. * * *

"Then, too, in the insurance world we now and then meet up with one who is said to be successful because of his special aptitude to get signatures on the dotted line. He is referred to in such expressive terms as a 'cracker-jack,' a 'skyrocket,' a 'jim-dandy,' a 'smooth' agent, and common report has it that he is a wonder. That he secures his applicants more often than otherwise through misrepresentation and deception, and with an utter disregard of the interests and even rights of the policyholder, is quite overlooked for the time being. Just as water seeks its level, so does such an agent invariably come to the end of his so-called successful career, and is at last measured by the standard of real worth—which usually results in his looking for another job, outside of the insurance field. I do not now recall to mind more than one man representing this type of agent who 'made it pay' in the long run; and since the great upheaval of the giant insurance companies in New York he has taken to the real estate business. His name is no longer an inspiration to the struggling insurance solicitor, and it is a travesty to say of him that he was a successful insurance man, even though he amassed a fortune from the insurance business. Measured by the same tape-line, Boss Tweed was equally successful."

The Atlantic Horse Insurance Company.

The Atlantic Horse Insurance Company, which was incorporated at the 1907 (January) session of the Rhode Island Legislature with a capital stock of $150,000, has just been organized and is now doing business. The directors of the new company are: James Smith, Job S. Briggs, M. E. Pierce, Gaius W. Hubbard and William E. Tefft. The company is an outcome of the Hope Live Stock Mutual Benefit Association, which was incorporated in 1896, and which is now doing business successfully in various States. The directors of the new company are the same as have conducted the Hope Live Stock Mutual Benefit Association. After the organization of the new company, the board of directors met and elected the following officers: President, William E. Tefft; vice-president, James Smith; treasurer, Job S. Briggs; secretary, Gaius W. Hubbard; assistant secretary, M. E. Pierce. Mr. Hubbard, the secretary of the new company, was also elected actuary.

—The business of the American Surety Company in Louisiana last year amounted to $31,227 premiums received and $2988 losses paid, making a ratio of losses paid to premiums received of 9.5. Through an error the company's premiums in Louisiana were given in The Insurance Year Book as $1227.

Miscellaneous Insurance in Georgia.

Name and Location of Company.	Premiums Received.	Losses Paid.	Ratio of Losses Paid to Premiums.
Georgia.			
Accident.	$	$	%
Ætna Life, Hartford	34,424	13,212	38.4
American Casualty, Reading	866	233	26.9
Continental Casualty, Chicago	978	434	44.4
Employers Liability, London	6,062	2,385	39.3
Empire State Surety, New York	1,763	463	26.3
Fidelity and Casualty, New York	37,071	14,563	39.3
Frankfort Marine, Frankfort	514	133	25.9
General Accident, Philadelphia †	1,597	650	40.7
General Accident, Perth	28,253	16,805	59.5
Great Eastern Casualty, New York	454	349	76.9
London Guarantee and Accident, London	753	427	56.7
Metropolitan Casualty, New York	14,741	4,197	28.5
Maryland Casualty, Baltimore	42,707	12,185	28.5
North American Accident, Chicago	9,182	1,969	21.4
Ocean Accident and Guarantee, London	6,692	1,488	22.2
Pennsylvania Casualty, Scranton	6,275	1,488	23.7
Preferred Accident, New York	8,707	3,288	37.8
Standard Life and Accident, Detroit	17,451	7,137	40.9
Travelers, Hartford	54,942	24,572	44.7
U. S. Casualty, New York	19,488	6,721	34.5
U. S. Health and Accident, Saginaw†	21,729	14,520	66.9
Totals	314,649	127,219	40.4
Burglary and Theft.			
Ætna Indemnity, Hartford	643	......	....
American Bonding, Baltimore	329	257	78.1
American Casualty, Reading	15	25	166.7
Empire State, New York	285	......	....
Employers Liability, London	497	58	11.7
Fidelity and Casualty, New York	5,351	791	14.8
Maryland Casualty, Baltimore	3,414	308	9.0
National Surety, New York	897	136	15.2
Ocean Accident and Guarantee, London	2,118	......	....
United Surety, Baltimore	307	......	....
U. S. Casualty, New York	350	......	....
U. S. Fidelity and Guaranty, Baltimore	2,025	128	6.3
Totals	16,231	1,703	10.5
Credit.			
Ocean Accident and Guarantee, London	18,603	6,491	34.9
Liability.			
Ætna Life, Hartford	9,210	7,700	83.6
American Casualty, Reading	558	......	....
Empire State, New York	140	......	....
Employers Indemnity, Philadelphia	334	103	30.8
Employers Liability, London	6,967	2,169	31.1
Fidelity and Casualty, New York	11,634	5,411	46.5
Frankfort Marine, Frankfort	4,414	648	14.7
London Guarantee and Accident, London	12,088	2,946	24.4
Maryland Casualty, Baltimore	26,651	6,878	25.8
Ocean Accident and Guarantee, London	13,091	8,785	67.1
Pennsylvania Casualty, Scranton	2,906	226	7.7
Standard Life and Accident, Detroit	54	362	670.4
Travelers, Hartford	24,109	8,997	37.3
U. S. Casualty, New York	22,800	10,608	46.5
Totals	134,956	54,833	40.6
Fidelity and Surety.			
Ætna Indemnity, Hartford	10,989	1,360	12.4
American Bonding, Baltimore	16,390	3,433	20.9
American Surety, New York	15,508	4,814	31.1
Employers Liability, London	444	......	....
Empire State Surety, New York	1,127	......	....
Fidelity and Casualty, New York	747	......	....
Fidelity and Deposit, Baltimore	27,663	5,356	19.4
Guarantee Co. of North America, Montreal	6,992	2,028	29.0
Metropolitan Surety, New York	422	......	....
National Surety, New York	10,536	751	7.1
Title Guaranty and Surety, Scranton	3,534	......	....
U. S. Fidelity and Guaranty, Baltimore	34,912	5,145	14.7
United Surety, Baltimore	2,369	......	....
Totals	131,633	22,887	17.4
Health.			
Ætna Indemnity, Hartford	486	412	84.8
Ætna Life, Hartford	5,813	4,351	74.8
Continental Casualty, Chicago	391	186	47.6
Employers Liability, London	2,848	1,709	60.0
Fidelity and Casualty, New York	16,629	6,078	36.6
Great Eastern Casualty, New York	219	326	148.8
Maryland Casualty, Baltimore	1,586	1,052	66.3
Metropolitan Casualty, New York	2,959	637	21.5
Ocean Accident and Guarantee, London	689	401	58.2
Pennsylvania Casualty, Scranton	3,014	1,446	48.0
Preferred Accident, New York	1,339	341	25.5
Standard Life and Accident, Detroit	1,705	478	28.0
Travelers, Hartford	6,013	3,008	50.0
U. S. Casualty, New York	10,626	5,291	49.8
Totals	54,317	25,716	47.3
Plate Glass.			
American Casualty, Reading	60	......	....
Empire State Surety, New York	477	260	54.5
Fidelity and Casualty, New York	3,939	953	24.2
Lloyds, New York	1,771	482	27.2
Maryland Casualty, Baltimore	2,996	769	25.7
Metropolitan Casualty, New York	2,348	1,267	54.0

MISCELLANEOUS INSURANCE IN GEORGIA—Continued.

Name and Location of Company.	Premiums Received.	Losses Paid.	Ratio of Losses Paid to Premiums
Georgia—Cont.	$	$	%
New York Plate Glass, New York	2,449	546	22.3
Pennsylvania Casualty, Scranton	3,202	799	25.0
Totals	17,242	5,076	29.4
Steam Boiler.			
Ocean Accident and Guarantee, London	449	......	....
Fidelity and Casualty, New York	7,004	729	10.4
Hartford Steam Boiler, Hartford	18,979	875	4.6
Maryland Casualty, Baltimore	2,500	81	3.2
U. S. Casualty, New York	1,484	9,311	62.8
Totals	30,416	10,996	36.1
Sprinkler.			
Maryland Casualty, Baltimore	809	2	.2
U. S. Casualty, New York	292	......	....
Totals	1,101	2	.1
Aggregates (Georgia)	719,148	254,923	35.4

† Includes Health.

Casualty Notes.

—The United States Casualty has entered Oregon.

—The Norwich and London Accident has entered Wisconsin and Minnesota.

—Walter C. Faxon of the Ætna Life has resigned as chairman of the executive committee of the International Association of Accident Underwriters.

—The Casualty Company of America has elected Edward L. Hearn director, succeeding George R. Reid, resigned. Mr. Hearn was subsequently elected second vice-president.

—The Frankfort Marine has completed arrangements for its increase of capital. New shares to the par value of $250,000 have been paid in at 600 per cent, giving $1,500,000 aud increasing the net surplus to $2,515,667.

—The new National Fidelity and Casualty Company of Omaha, Neb., has elected the following officers: President, C. F. Manderson; treasurer, John B. Ruth; secretary and manager, Edwin T. Swobe.

Surety Notes.

—Edwin Gott has resigned as vice-president and general manager of the Title Guaranty and Surety Company.

—The United States Fidelity and Guaranty has furnished a $250,000 bond to the contracting firm of Foster & Creighton of Nashville, which firm has the contract for erecting the two bridges over the Cumberland river.

—The insurance committee of the Tennessee Bankers Association has renewed its contract with the Ætna Indemnity. The contract covers the association's fidelity and burglary insurance business for the next two years.

—The Southern Surety of Oklahoma City has opened offices in Denison, Tex. The company is writing in Texas, Oklahoma, Indian Territory and District of Columbia. Application will soon be made for admissiou to a number of other States.

—The Pennsylvania legislative committee, which has been investigating the State capitol scandal, has recommended that criminal actiou be taken against thirteen contractors and officials, and civil action to recover $3,000,000 from the bondsmeu.

—A surety organization has been completed in Atlanta, Ga. Frank Reynolds of the United States Fidelity and Guaranty was elected chairman, and F. Dodd of the Ætna Indemnity, secretary, to serve six months. E. M. Durant, American Bonding; C. S. Davis, Metropolitan Surety, and B. E. Thomas, National Surety, compose the grievance committee.

—The National Surety has sent the following letter to the various departmeuts at Washington: "You are advised that no resident vice-president, resident assistant secretary, attorney-in-fact or other officers of the company, except its executive officers at its home office in New York, has authority to sign any bond on its behalf as surety, which amounts to $50,000 or over, unless under special authority from the company in each case. You will kindly endorse this limit on the proper records of your department, and should the limit be exceeded at any time, please notify us so that we can prevent a repetition and execute instrument necessary to the acceptance of the bond in question."

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, $7; book only, $5; monthly supplement only, $2 per annum.

Excelsior Fire Insurance Company, New York.

The New York State Insurance Department has granted a certificate of authority to begin business to the above-named company. It has a paid-up capital of $200,000 and a cash surplus of $100,000.

Farmers Mutual Fire Insurance Company of Washburn County, Wis.

The above-named company is reported as having failed, and that Judge Vinje of Milwaukee has appointed Andrew Kennedy receiver.

Knickerbocker Fire Insurance Company, New York.

A company bearing the above title is being organized by Clarence L. Fabre, Frank E. Mendes, Leon W. Manton and others. The proposed capital is $500,000, with $500,000 paid-in surplus. The company will do a general fire insurance business. Among the seventeen incorporators are Clarence Whitman, Ferdinand Sulzberger, J. W. Harriman, Ludwig Nissen, William E. Hutchins, William N. Dykman and Colgate Hoyt. Notice of intention to organize has been published.

Le Nord (Northern) Fire Insurance Company, Paris, France.

This company has appointed Starkweather & Shepley their attorneys and representatives for the United States. It has a paid-up capital of $300,000 and a net surplus of $700,000.

Los Angeles Fire Insurance Company, Los Angeles, Cal.

The proposed organization of the above-named company has been abandoned, as the stockholders are reported to have become alarmed because of the adverse report on the fire protection facilities in that city.

North Dakota Independent Shippers Mutual Fire Insurance Company.

A company bearing the above title is being organized to write grain and elevators.

Provinciale Mutual Fire Insurance Company, Montreal, Que.,

This company, which is seeking surplus lines in this country, commenced business in 1903. It is represented by Eugene I. Wile of Chicago, resident manager in the United States for McLean, Stinson & Co., Ltd., Toronto, Canada. Its financial statement as of August 31, 1906, showed assets amounting to $54,405, including $46,795 of "deposit note capital, unassessed." The officers are: President, P. Tourigny, M. L. A.; secretary, Jean Tache. Eugene I. Wile also represents for surplus lines the Standard Mutual of Toronto, Hudson Bay of Moose Jaw, and La Fonciere of Montreal.

Walla Walla Fire Insurance Company, Walla Walla, Wash.

At the company's request, the Washington Insurance Department recently examined this company. The examiner prepared the following statement as of July 27: Total assets, $404,764; reinsurance reserve, $12,207; reserve for all other liabilities, $14,098; capital stock, $200,000; net surplus, $178,659.

TOO LATE FOR CLASSIFICATION.

—The Norwich and London Accident has entered Indiana.

—Arthur Cockman, London secretary of the Liverpool and London and Globe, is dead.

—The New Hampshire Association of Local Fire Insurance Agents has elected Louis C. Morrill, Concord, president; A. B. Palmer, Keene; B. H. Corning, Littleton, vice-presidents.

—Robert B. Armstrong, formerly president of the Casualty Company of America, has been elected president and a director of the Philadelphia Casualty Company, succeeding Geo. W. Roydhouse, who has been president of the company since 1904.

—The Norfolk Fire Insurance Corporation has been recently admitted to North Carolina, New Jersey and West Virginia. The business in North Carolina will be handled directly from the home office at Norfolk, Va., while West Virginia will be in the field of the American Agency Company. Paul Turner, president, of Baltimore, Md., and Tileston & Co. of New York are general agents for New Jersey. The corporation is operating along conservative lines, and is attaching to itself the loyalty of its agents as well as the confidence of insurers.

Annual and Deferred Dividends.

The Spectator Company has just issued a new book, pocket size, price $1.50, showing the annual and deferred dividends paid to policyholders by life insurance companies during a series of years, from 1876 to 1906, inclusive. In the case of the older companies, the information runs back several years earlier, thus covering a period of more than thirty years. In addition, the new book includes a page for each company presenting the net cost of insurance for each year based on the dividends declared and paid in 1906.

An interesting feature is that dealing with the matters of dividend calculations. Companies file explanations showing the precise methods by which the dividends are declared, and these explanations are incorporated in the book. The book should prove valuable to field men.—Underwriters Review.

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Teutonia Fire Insurance Co., of Allegheny, Pa.

Assets, $718,538 — **Surplus to Policyholders, $459,320**

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THE SPECTATOR:

THE SPECTATOR, *established in 1868, is a weekly journal devoted to promoting the best interests of trustworthy insurance of all kinds. The subscription price for the United States, Canada and Mexico is Four Dollars per annum, postage prepaid. To all foreign countries in the Postal Union, Five Dollars per annum.*

THE SPECTATOR *has a larger circulation than any other insurance journal—and carries no "deadhead" subscriptions.*

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Telephone. { *231 John.* *232 John.* Address, 135 WILLIAM ST., N. Y.

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THE ANCIENT ORDER OF UNITED WORKMEN.

THE Ancient Order of United Workmen, at one time one of the most important of the fraternal organizations, is steadily losing prestige and membership, and bids fair to be classed among the "has beens" at no very distant period. The order has grand lodges in about thirty-five States and in Canada and a supreme lodge that has jurisdiction over all the grand lodges. In response to inquiries addressed to the Insurance Departments of half a dozen or more States for statistics regarding the standing of the order in those States, THE SPECTATOR was informed that the order had made no statement for 1906, but had withdrawn from those States. In The Pocket Register of Life Associations, issued by The Spectator Company, there is given the statistical record of fifteen grand (or State) lodges, and of the supreme lodge, which is supposed to be a compilation of the records of all the subordinate lodges. Owing to the withdrawal of the order from so many States, it was impossible to obtain the figures of the supreme lodge for 1906, but the preceding four years show a decrease in the amount of insurance in force from $799,039,000 in 1902 to $507,987,905 in 1905. In these four years the death rate per 1000 certificates in force had increased from 11.8 to 14.6. In some of the State lodges the death rate mounted in five years from 10 per 1000 to over 30, with a steady falling off in membership and insurance in force. For instance, in the Michigan lodge, the amount in force in 1902 was $37,636,000, and in 1906 it was $3,541,388, and the death rate had risen from 12 per 1000 to 31.8.

The increase in the death rate year by year is responsible for the failure of the Ancient Order of United Workmen, and numerous other fraternal orders, to fulfil the promises held out to its members. Some years ago the officers of the order saw that it was impossible to pay the death claims that were increasing yearly in numbers from the revenue it was receiving from assessments, and accordingly the rates were advanced materially. This had a tendency to drive out the younger and most desirable members, while the older ones clung to their membership as the only insurance they could obtain at their ages. In the regular course of nature, these old members died with great frequency, and the younger ones felt that they were being assessed to pay for deaths that were outside of their class or rating, and their withdrawal followed. The Michigan lodge has virtually reached the vanishing point, as it is unable to pay death claims, and will undoubtedly go into the hands of a receiver in the course of a few weeks. The Indiana grand lodge merged with the supreme lodge during the present year; the Ohio grand lodge applied for a receiver in November, 1906, and a receiver was appointed for the Wisconsin grand lodge last October. The following letter, explanatory of the condition, was received by a gentleman in New York, who represents a widow having a claim against the Michigan lodge:

Office of Grand Recorder
ANCIENT ORDER OF UNITED WORKMEN,
GRAND LODGE OF MICHIGAN.
Parker-Webb Building, 64 Grand River Avenue, Detroit, Mich.

DEAR SIR:—Your favor of July 31 duly received. In reply, beg leave to say that it is impossible for me to say when Mrs. ——— will receive anything on her claim. As I stated in my former letter the court has fixed the hearing for October 15, and if a receiver is appointed at that time, I do not know how long it will take to close the matter up and distribute the amount in his hands to the claimants, nor can I say what she will receive on her claim.

In the event of the supreme lodge, at its next session in June, allowing Michigan the $80.000 out of the fraternal aid fund, which the board of directors refused to allow on account of Michigan not putting the rates into operation until November 1, instead of October 1, as fixed by the laws of the supreme lodge, the beneficiaries will, I expect, receive fifty per cent on the dollar.

Respectfully yours,
GEORGE LATCHAM, Grand Recorder.

All assessments had been paid by the insured up to the time of his death, and no charge of irregularity of any kind is made regarding the claim. The simple fact is that the much vaunted fraternal idea of providing life insurance at less than cost is a fallacy, misleading thousands of innocent persons who have sought by its means to make provision for their families. The worst of it is, that the promoters and officers of the orders have long been convinced of the fallacy of the fraternal plan, as has been demonstrated by their frequent increases in the assessments and their violent struggles to keep the orders alive. Years ago the assessment idea was denounced as deceptive and impossible of fulfilment, but thousands upon thousands of persons were induced to trust to it, with the result that they lost their money and their insurance through the failure of hundreds of assessment concerns. The fraternal plan is the same, so far as obtaining revenue is concerned. It has certain social features which the old assessment companies lacked, but the principle is the same, and must lead to disaster sooner or later. The experience of the Michigan grand lodge, whose membership fell away from 22,969 in 1902 to 2868 in 1906, and the insurance in force from $37,636,000 to $3,541,388, while the death rate jumped from 12 per 1000 certificates to 31.8, is being repeated in nearly all fraternal organizations, and the inevitable is already in sight with many of them. Those who stopped paying assessments saved their money, while those whose claims have matured will be fortunate if the receiver finds enough of the order left to enable him to make a dividend of any amount to the claimants.

There are hundreds of fraternal orders scattered all over the country, and while some of them show an increase in mem-

bership, they also show an increasing death rate, which is the germ of destruction which must inevitably lead to their downfall. Some of these orders, which are offshoots of such strong organizations as the Masons, Odd Fellows, and the like, may have a longer life than those that seek a general business and have no special ties to aid them, but assessmentism, in whatever form it appears, is a delusion and a snare.

THE PERILS OF SKYSCRAPERS.

THE Board of Aldermen of New York city have a committee known as the building codes revision committee, whose purpose it is to secure the advice of fire underwriters, architects, builders, etc., upon the feasibility of amending the building code relative to limiting the height of buildings and otherwise restricting reckless building. At a meeting of this committee last week, George W. Babb, president of the Board of Fire Underwriters, set forth the dangers that lurk in skyscrapers, and the possibility of a serious conflagration resulting from a fire occurring in one of them. The conflagration hazard has long been recognized, and THE SPECTATOR has often pointed to the fact that firemen and fire apparatus were wholly unable to cope with fires occurring in the top floors of fifteen, twenty, and even forty-story buildings. As these skyscrapers become more numerous, and are so near to each other in the downtown section, they might almost be classed as a single hazard, exposed on all sides. Mr. Babb asserted that fire underwriters anticipated that at no distant day a conflagration would result from this massing of tall buildings, that are beyond the reach of any means of fire protection, that would by far exceed any conflagration of modern times. His summing up of the situation is so clear that we quote from his remarks as follows:

> With our present unlimited height of buildings in the financial center, where the streets are being converted into narrow cañons by the walls of thirty- and forty-storied buildings, we are courting a disaster that would outdistance that of any other great fire in the country. The San Francisco fire has taught that so-called fireproof buildings cannot withstand the attack of an uncontrolled wave of flame. How much more dangerous would a fire be when it was sweeping through the top levels of our lines of lofty buildings.
>
> Fire experience has taught that a high building of great area nurses the hottest fires. It is not only not beyond the range of possibility, but the fire underwriters fear that there is a very strong probability of a fire stating in the nest of skyscrapers and beating across streets from the windows on the top floors to other buildings. All systems of sprinklers and all attempts at fireproofing would not avail in the least in an instance of this kind. The firemen away down below could do nothing. The fire would gain such headway that when the edge of the skyscraper zone was reached there would be a blaze of such proportions as to imperil the whole city. Reliance cannot be placed in any fire department, even under the most favorable conditions, when once a fire is sweeping uncontrolled.

He further said that in the event of such a conflagration, even though it were confined to the dozen blocks where the skyscrapers are thickest, the underwriting companies would be so hard pushed that twenty or twenty-five cents on the dollar would be all they could pay. A loss of from one to two billion dollars would be the aggregate, he said, and it would be felt by title guaranty companies, mortgage concerns, savings banks and all the chief interests of the financial district. Taxable property of such value would be destroyed that the city would feel the loss of revenues immediately.

Mr. Babb urged upon the commission the necessity of securing legislation to limit the height and area of tall buildings, and suggested that for non-fireproof buildings to be used for commercial and manufacturing purposes, a height of fifty-five feet, and an area of 5000 square feet, to be increased a little when the building extended through the block or was situated on a corner; in fireproofed buildings provided with automatic sprinklers and designated for office use only, the area could be extended to between 20,000 and 30,000 square feet, and a height of 125 feet could be permitted. Any area or height above these figures increased the fire risks to excessively dangerous points.

All of those who appeared before the commission at the hearing were agreed that some sort of regulation in the height and area of buildings should be enforced, but they were unanimous in saying that such regulations would be so complicated by legal and economic objections as to become a matter of serious moment. Yet it could be solved better to-day than twenty years from now.

"Legal and economic objections." There's the rub. It is well known that every attempt to reform building laws has been opposed by those whose pockets would be touched if reforms were made obligatory. The effort to secure safety in apartment houses was opposed by owners of such property; hotel proprietors have fought every effort designed to secure the safety of hotel guests; when attempts have been made to secure better protection for theatre goers, owners and managers of places of amusement have vigorously protested against being made to pay for such protection. Contractors and builders have joined in the warfare against building restrictions of any kind, and insisted that the "Jerry" builders should have full sway. Such has been the influence these opponents were able to secure at Albany, that every bill providing for building reforms has either been killed in the legislature or so emasculated as to be comparatively ineffectual. Such opposition is sure to develop against any building reform bill that may be presented to the legislature in the future. If there is to come any improvement in building methods it will only be through the consistent and persistent efforts of those who see the existing danger lurking in present conditions. Future generations may reap the benefit of the work of such reformers, but it is greatly to be feared that "influence" will defeat their efforts for the present. The skyscrapers, with all their perils, will increase in numbers, and underwriters will continue to insure the risks.

DURING the past two years there have been organized in different States—mainly in the West and South—nearly two hundred new life insurance companies. That is to say, they are concerns proposing to operate on a variety of plans to furnish life insurance to residents of their immediate localities. The promoters of these companies seemed to be under the impression that the recent life insurance investigations had so impaired public confidence in the old established companies that now was the opportune moment for launching new enterprises of this character. But if they thought the old line companies were moribund they counted without their host, for they are very much alive, full of energy and vigor, have adapted themselves to the new conditions, and the amount of business they are doing indicates that they have been restored to public confidence. As they formerly covered the field

thoroughly, so they do now, and the new companies will find them very active competitors, with the advantage of having a thorough knowledge of the business and large volumes of assets to guarantee their contracts. Of the new companies, there are some that have not financial standing sufficient to invite confidence, nor have their promoters sufficient knowledge of the business to warrant the belief that they can make a success of their undertaking. This is proved by the fact that many are still adhering to the old assessment fallacy, and their careers will unquestionably be short. Insurance Commissioners will, no doubt, keep a watchful eye upon these new companies, and see to it that they comply literally with the laws and are not permitted to continue in business unless they have ample assets with which to protect their policyholders. To those that have entered the field intelligently, with sufficient capital and experienced managers, there is an open field and an opportunity to achieve success. Such will be welcomed as honorable competitors and their careers watched with interest. But it behooves the public to look carefully at the standing of the new companies and the men in charge of them. In the life insurance field there is no room for adventurers or speculators. Providing for the future of widows and orphans is too sacred a matter to be entrusted to ignorance and incompetency.

According to the record kept by The Journal of Commerce and Commercial Bulletin, the fire loss for the month of August amounted to $20,248,000, exceeding the record of August last year by $9,641,600. This brings the loss for the eight months of the present year up to $155,965,650. At this rate, if kept up for the remainder of the year, 1907 will stand high in the list for excessive burnings and destructiveness. The number of heavy losses by a single burning was unusually large, there having been 361 fires, each of which entailed a loss of $10,000 or more. This of itself, leaving out the smaller losses, makes an aggregate quite as large as the companies desire to face. Year by year the country sees hundreds of millions of dollars in values consigned to the ash heap, and the worst of it is that this waste is growing steadily, without any systematized effort to check it. It is true that the large cities pass ordinances to regulate building methods in an attempt to attain the unattainable fireproof building construction, but the enforcement of such regulations is weak and ineffectual. Given, however, the best constructed buildings that science can produce, there still remain the contents of them to work destruction. It has become an axiom in insurance circles that it is contents that burn buildings, and not buildings that burn contents. To secure greater immunity from destructive fires, city ordinances should take cognizance of how the immense values comprising stocks of goods in stores, warehouses, etc., shall be protected independent of the buildings themselves. Excessive floor space could be divided into compartments enclosed by iron partitions or brick walls, which could be closed in an emergency and their contents saved from exposure. Steamships are so divided and lives and property saved thereby. Some day it may come about that propertyowners will properly safeguard their possessions, but not while any risk can be covered by insurance.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

William N. Kremer, president of the German-American, was married last week, at Portsmouth, N. H., to Helen Mary Elwyn, a sister of Mrs. Woodbury Langdon.

The energetic protest of President Babb of the New York Board, to the commission appointed by the charter revision to suggest amendments to the building code, was a forcible presentation of the dangers from the overhead conflagrations threatened by the sky-scrapers being so close together on adjacent blocks in the financial district. An underwriter, who agrees with Mr. Babb in his estimate of this danger, took the trouble to examine into the treatment of some of the tallest of the sky-scrapers in the matter of rates; and here are the charges, according to the rate cards in the cabinets: Syndicate building (30 stories), 37 Park Row, 20 cents; Tract Society, Spruce and Nassau streets (23 stories), 26 cents; American Surety, Broadway (21 stories), 22 cents; United States Trust Company, Wall street (25 stories), 14 cents; 87-95 West street (24 stories), 19 cents; 65 Wall street (26 stories), 13 cents; 45-49 Exchange Place (25 stories), 14 cents; 111-113 Broadway (21 stories), 13 cents; 115-119 Broadway (21 stories), 14 cents. If these rates reflect the views of underwriters of the fire risk, then they are so far above the average that the fear of conflagration is small. Nevertheless, all that President Babb said at the session of the commission is strictly true, and his counsels should be heeded.

An exceedingly interesting, as well as curious sequel to a loss in the summer has lately come to light. The loss was apparently an honest one, but some peculiarities about the invoices submitted by the assured attracted attention, when evidence was discovered that these documents had been fabricated for the purpose of deception. We are not acquainted with the details of the story, but the manager of an interested company says the end of it was a surrender of the policies to the company, with a full receipt for all demands without any payment or even claim for loss. An independent adjuster who had been employed threw up the job, and the companies escaped scot-free. The record against the parties is exceedingly black, and the companies are not likely to insure them again.

In trying to straighten out a title on some dwelling property in the suburbs, a legal firm discovered a tangled condition arising from an agreement for sale which had never been completed, although it was the foundation for an alleged insurable interest, under which a claim was collected by a city company for a loss by fire upon a dwelling. As the question of character entered into the investigation the lawyers learned that the same party had collected losses upon seven dwellings in seven States in ten years. This bit of history would seem to suggest a moral hazard to any contract or bargain of sale with which the party may be connected.

A company interested in the Stauch loss at Coney Island, recently reported, states that the companies will deny liability on the frame extension not connected directly with the brick portion and intend to fight the loss in the courts. If they really covered the frame extension at $3.75 rate (as on the brick) then they are amenable to the Exchange for not demanding the tariff rate of $5.25, according to the cabinet.

There was a meeting of the Exchange yesterday at which several interesting matters were ready for presentation. The last assessment was objected to because the basis was the returns of a year ago, but it is likely to be settled the treasurer's way. Several members are interested in the non-action of the executive committee on the branch office question. The composition and chairmanship of several of the regular committees has changed since the July session.

A brokerage firm is working a specialty of use and occupancy forms upon sprinklered risks and following up particularly cases where lines are carried by the sprinkler specialty companies, including the factory mutuals. There is likewise an increased demand for what is known as profit insurance upon merchandise stocks, and the forms are as variable as the signs in dry weather; yet they all pivot upon the same principle

of a per diem payment for each day's delay in the operation of the business. The variation in the application of coinsurance in the brokers' forms is rather remarkable.

A few months ago it was reported that the California Insurance Company intended to enter this State and open a general agency. Some surprise has been manifested why this intention has not been carried out. We were informed by a marine broker, a few days ago, that the California has valuable marine connections, and is prevented from engaging in both marine and fire business upon one capital. The company, being unwilling to abandon its marine business, has concluded, according to the marine broker's statement, to defer any effort to transact fire business in New York until such time as its capital can be further increased.

BOSTON AND VICINITY.

Under the efficient management of Assistant Secretary Cabot there has been no necessity for haste in choosing a secretary of the Boston Board of Fire Underwriters to succeed the late Osborne Howes. Probably a selection will be made within a month or six weeks.

Charles F. Danforth, who was recently chosen president of the American Association of Mutual Insurance Companies, is connected with John C. Paige & Co. He is secretary of the Massachusetts Fire Insurance Union.

E. B. Cowles of Field & Cowles has returned from his trip to Europe.

The new offices of George W. Gregerson are among the finest and most attractive in Boston. The finish and furnishings are in rich quartered oak.

The board appointed by Governor Guild last winter to draw up rules relative to steam boilers and their regulation and inspection, has submitted a report which has been approved by the Governor. It deals with maximum and minimum pressure, age of boilers, fusible plugs and types of boilers. All these subjects are minutely covered by the rules.

CHICAGO AND THE WEST.

Charles R. Gilbert has resigned as vice-president and treasurer of the Calumet Fire of Chicago. A. W. Haight, secretary of the company, has been elected treasurer, also. Mr. Gilbert's successor as vice-president will be announced shortly.

The Chicago agency of the Fidelity Fire of New York, which was organized last year by interests associated with the Continental, will be held hereafter by Marsh & McLennan. By agreement with Vice-President Kline, De Roode, Faulkner & Ettelson retain authority in their agency to make all indorsements and handle their Fidelity business, taking care of expirations in their six other companies.

THE MIDDLE STATES.

—C. R. Whitehead, recently with the London Assurance, has been appointed special agent of the New Brunswick Fire for New York, New Jersey and Pennsylvania.

—Fire Insurance Laws, Taxes and Fees.—This book contains much valuable information, and will be of material assistance to us.—W. B. Triplett, Deputy Insurance Commissioner of Kentucky.

—Hanford & De Veuve of Seattle, Wash., Pacific Coast general agents of the Seattle Fire and Marine, will shortly open general brokerage offices in New York. It is stated that the Seattle Fire and Marine will enter New York State in the near future.

—Newman & MacBain of New York will enter the general agency field. The Southern of Lynchburg, one of the companies the firm has been representing in the metropolitan district, has appointed the firm general agents for New York, Pennsylvania, New Jersey, Maryland and Delaware.

—Lloyd V. Watkins has resigned as assistant secretary of the Western of Pittsburg, and has organized a company to be known as the Watkins-Vollmer Company for the purpose of conducting a local agency in Pittsburg and a general agency in Allegheny county, with the representation of the Allegheny Fire, Insurance Company of the State of Illinois and the Northwestern Fire and Marine.

—An attachment for $68,895 against the Rhine and Moselle Fire Insurance Company of Strasburg, Germany, was served upon the Central Trust Company last week. The attachment was in favor of Charles T. Keyes, on assigned claims of San Francisco merchants, who recovered judgments against the company in December, January and February last for losses in the big fire. These were the claims of the San Francisco firms which were affected: Neustadter Brothers, $22,243; Arnstein, Simon & Co., $21,855; E. Martin & Co., $5199; Herman Elsbach, $4066; F. Thomas Parisian dyeing and cleaning works, $5250, and Joseph Silverberg, as trustee for Adolph Schoenfeld, $10,282.

THE NEW ENGLAND FIELD.

—The Hartford Fire has declared a quarterly dividend of $3 per share, payable October 1.

—W. H. Winkley, assistant to J. H. Leighton, special agent of the Hartford Fire, has been appointed special agent of the Insurance Company of North America for Massachusetts, Rhode Island and New Hampshire, succeeding W. H. Smith, who recently resigned.

THE WEST.

Ohio Notes.

The new high-pressure water service of the city of Cleveland has just been tested publicly and found to be exceedingly satisfactory. The mains run all through the congested district, and the test showed that the pressure was sufficient to supply ten lines of hose at one time, and to send the water to the tops of the tallest mercantile and manufacturing buildings. The rates in the downtown district probably will be reduced about 7½ per cent as soon as they can be refigured. There is some talk of extending the service to the manufacturing districts whenever available funds are forthcoming.

Considerable discussion of the Ohio reinsurance law is going on at the present time, and it is said that a determined attempt will be made by the large companies at the next session of the legislature to obtain the repeal of what they consider an obnoxious restriction. The smaller companies probably will oppose the move on the ground that if it becomes lawful to take credit in statements for reserve under reinsurance policies the large companies will be able to write lines of such greatly increased amount as to gobble all of the business and leave less than even now for the small fellows. It is not so many years since just this condition of affairs existed and evidently it has not been forgotten.

Columbus, Ohio, September 7. CHRISTOPHER.

—H. G. Stuart has resigned as secretary of the Iowa Home of Dubuque.

—The American Druggist Fire of Cincinnati has applied for admission to Missouri.

—Howard A. Blossom, treasurer of the Insurance Agency Company, of St. Louis, is dead.

—The Eagle Fire has entered North and South Dakota, operating through Otto F. Toleffson.

—Elmer F. Bagley & Co. of Topeka, Kan., have been appointed State agents of the Walla Walla Fire.

—F. L. Parsons of Cleveland, Ohio, one of the oldest independent adjusters in the State, died recently, after a long illness.

—Walter A. Campbell, head of the Toledo (Ohio) insurance firm of Campbell & Whitaker, died recently of heart disease.

—Ralph H. Taylor has been appointed special agent of the Western Reserve for Illinois and Indiana, with headquarters at Terre Haute.

—Charles S. Hardy, for many years with the Insurance Company of North America, has been appointed Kansas special agent of the Hartford Fire.

—W. E. Stevens of Claremont, S. D., has been appointed South Dakota special agent of the Springfield Fire and Marine, with headquarters at Aberdeen.

—D. C. Shupp, until recently special agent of the North River Fire, has been appointed Southern Illinois special agent of the Continental, with headquarters at East St. Louis.

—Charles B. Gilbert, vice-president and treasurer of the Calumet Fire, has resigned. A. W. Haight, secretary of the company, has been elected to discharge the duties of treasurer.

—The American Association of Mutual Fire Insurance Companies has elected the following-named officers: President, C. F. Danforth, Boston; secretary, W. B. Linch, Lincoln, Neb.

—William C. Wing of Neenah, Wis., has been appointed special agent of the Prussian National for Utah, Washington, Idaho and Montana. Mr. Wing has sold his local agency plant.

—The fire companies are making united resistance against the tendency of municipalities in Oklahoma to impose local license and occupation taxes. Kingfisher, Okla., recently imposed an occupation tax on insurance agents of $15 for each company represented. As a result, practically all the companies ceased to do business in the town, and the local merchants are petitioning the city council to remit the tax.

THE SOUTH.

—The Southern National has entered Tennessee.

—George N. Hurt of Atlanta, special agent of the Eagle Fire for Alabama, Georgia, Mississippi and the Carolinas, has resigned.

—The Spring Garden has reinsured some of the risks of the Continental Fire of Little Rock, and goes into the general agency of L. B. Leigh & Co.

—R. B. Manlove, special agent for South Texas in the general agency of J. D. Kitchen & Bro. of New Orleans, died recently at San Marcos, Tex., from typhoid fever.

LIFE INSURANCE TOPICS

CHICAGO AND THE WEST

A decision vitally important to fraternal benefit societies has just been handed down by Judge Foster in the Municipal Court, holding that no merger or consolidation of such societies can be effected legally in Illinois. The ruling of the court grows out of the consolidation of the Royal Circle and the Fraternal Army of Loyal Americans into the corporation now known as the Loyal Americans of the Republic. The consolidation, which gave the latter corporation about 22,500 members formerly belonging to the Fraternal Army of Loyal Americans, was attacked by the State Insurance Department, but a compromise was effected and the merger ratified. This would have closed the incident had not Edwin F. Smith and Ira J. Bell sued the company for $70,000, alleged to be due them for their services in bringing about the merger.

"These are unique corporations, organized for the sole benefit of their members and beneficiaries, and not for profit," Judge Foster declared. "A careful reading of the fraternal benefit act makes it plain that no consolidation of such corporations ever was contemplated or authorized by the legislature."

The annual meeting of the $100,000 Club of the Illinois Life, which closed the other day, was attended by a number of the agents of the company, in addition to the twenty-two men who won membership by writing over $100,000 of insurance during the year. Vice-President R. W. Stevens announced to the agents a new series of guaranteed dividend policies which the company is preparing to introduce.

The Illinois Insurance Department has closed up the Alliance Life of Chicago, an assessment concern, an examination having shown it to be without assets.

NOTES FROM PHILADELPHIA.

The Policyholders Mutual Life has taken possession of the building leased by the company at 721 Walnut street, opposite the old Philadelphia Savings Fund.

George N. Twiss, formerly associated with Robert E. Forster, actuary of the Pennsylvania Department, is now with the Economic Life as assistant actuary.

DEATHS BY ACCIDENTAL DROWNING.

By F. S. Crum.

According to reports of the Bureau of the Census there have been 20,334 deaths by accidental drowning in the registration area of the United States during the six-year period, 1900 to 1905. As the registration area includes only about three-eighths of the total population of the United States, it is probably within the truth to say that there were 54,000 deaths by accidental drowning in the United States (exclusive of Porto Rico, Hawaii and the Philippines) during the six years, or an average of 9000 per year.

By registration area is meant those States and cities which have a fairly reliable system of registration or reporting of deaths. This area during 1900-1905 embraced Connecticut, the District of Columbia, Indiana, Maine, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Rhode Island, Vermont and 134 registration cities in non-registration States. The aggregate population of the registration area was 30,765,618 in 1900, and this was estimated to have increased to 33,757,811 in 1905. The population and deaths by accidental drowning in the registration area are shown for each year of the six-year period in the following table:

DEATHS BY ACCIDENTAL DROWNING IN THE REGISTRATION AREA OF THE UNITED STATES.
1900-1905.

Years	Population.	Deaths by Drowning	Rate per 100,000 of Population.
1900	30,765,618	3,525	11.5
1901	31,292,130	3,380	10.8
1902	31,908,655	3,244	10.2
1903	32,536,989	3,418	10.5
1904	33,135,453	3,378	10.2
1905	33,757,811	3,389	10.0
Totals (1900-1905)	193,396,656	20,334	10.5

The table shows quite a remarkable evenness both in the actual number of deaths and in the death rates. If different sections of the registration area are compared some interesting facts are disclosed. Geographical location is an important factor. Seacoast States and cities almost invariably have, as would be expected, higher death rates from drowning accidents than interior States or cities located on small rivers. In New Jersey, famous for its seacoast resorts, the average annual death rate from drowning was 14.6 per 100,000 of population during 1900-1905, and in Maine, also famous as a summer mecca, the rate was 15.9. On the other hand, in Vermont the rate was only 8.7 and in Indiana only 5.0. The following table gives the facts in detail for the different divisions of the registration area:

COMPARATIVE STATEMENT OF DEATHS BY ACCIDENTAL DROWNING IN THE REGISTRATION AREA OF THE UNITED STATES.
1900-1905.

Divisions of the Registration Area.	Population.	Deaths by Drowning.	Rates per 100,000 of Population.
Maine	4,216,866	674	15.9
New Jersey	12,083,434	1,765	14.6
Rhode Island	2,725,912	354	13.0
Connecticut	5,693,760	731	12.8
New Hampshire	2,522,118	313	12.4
New York	46,008,604	5,587	12.1
Massachusetts	17,427,076	1,997	11.5
Michigan	14,934,768	1,679	11.2
District of Columbia	1,744,803	183	10.5
Registration cities (in non-reg. States)	68,375,777	6,087	8.9
Vermont	2,078,676	181	8.7
Indiana	15,584,862	783	5.0
Total registration area	193,396,656	20,334	10.5

The table brings out very clearly the relation that exists between geographical location and drowning fatalities.

There is also a close relation between occupation and drowning accidents, and this is in part shown by the much larger proportion of deaths among males. Of the 20,334 deaths by drowning in the registration area during 1900-1905, 18,494, or 91.0 per cent, were males, while only 1840, or 9.0 per cent, were females. Occupations such as navigation, fishing, lumber rafting, bridge construction, dock labor, life saving service, etc., are attended by quite exceptional risks from accidental death by drowning to which females are not exposed. The fact that the venturesome spirit of men and boys in aquatic sports, such as swimming and skating, is stronger than in women and girls, also has an important bearing on the sex distribution of drowning fatalities. The age distribution of the deaths with distinction of sex throws additional light on this point.

The table shows very clearly that females for the most part are drowned as the result of causes over which they have little control. A much larger proportion of the female deaths are at the very young and very old ages, while at the productive period of life (15-59) the males

are subject to quite an exceptionally high mortality from drowning accidents.

DEATHS BY ACCIDENTAL DROWNING IN THE REGISTRATION AREA OF THE UNITED STATES, WITH DISTINCTION OF AGE AND SEX.
1900-1905.

Ages.	Males. No.of Deaths.	Males. Percent. of Total.	Females. No.of Deaths.	Females. Percent of Total.
Under 5 years	804	4.5	326	18.2
5-14 years	3,959	22.2	328	18.3
15-59 years	12,022	67.3	986	55.0
60 years and over	1,085	6.0	153	8.5
Totals	17,870	100.0	1,793	100.0

Seasonal influence is a factor of considerable importance in any analysis of drowning fatalities in temperate climates. Summer and early autumn are the seasons when accidents are most numerous, while in the winter the mortality from drowning is lowest. In the following table correction has been made for the differing lengths of the months, and the figures represent the proportionate mortality, assuming the average mortality per month to be 100:

SEASONAL DISTRIBUTION OF DEATHS BY ACCIDENTAL DROWNING IN THE UNITED STATES.

Months.	Males.	Females.
January	39	48
February	44	48
March	42	36
April	84	73
May	115	134
June	197	164
July	223	189
August	188	201
September	103	151
October	69	60
November	49	48
December	47	48
Mortality for the year	1,200	1,200

This table makes it very clear that season is a powerful factor in the problem of drowning mortality, and it operates with almost equal strength upon the male and female populations.

In conclusion we may add that in spite of all the newspaper reports and comments upon deaths by drowning very few of us realize what an important element this cause of death is in the total mortality. Other deaths by violence are often more spectacular, and for that reason obtain a larger hearing and impress themselves more permanently and more vividly upon the imagination.

The following little table will indicate what an important factor drowning is in the total mortality from accidental causes, excluding suicides, homicides and injuries at birth:

MORTALITY FROM ACCIDENTAL CAUSES IN THE REGISTRATION AREA OF THE UNITED STATES.
1900-1905.

Kinds of Accidents.	No. of Deaths.	Percent. of Total.
Railroad accidents	28,530	17.5
Drowning	20,334	12.5
Fractures and dislocations	16,648	10.2
Burns and scalds	16,091	9.9
Poisons and poisonous gases	15,927	9.8
Heat and sunstroke	7,204	4.4
Gunshot (accidental)	6,685	4.1
Vehicles and horses	4,650	2.9
Suffocation	3,135	1.9
Mines and quarries	1,760	1.1
Machinery	1,548	0.9
Cold and freezing	1,094	0.7
Lightning	583	0.4
Other causes	38,692	23.7
Totals	162,881	100.0

Deaths from accidental drowning are shown to be second in importance of all the specified kinds of accidents, being exceeded in number only by railroad accidents. No less than one-eighth of all the deaths by accident (exclusive of 26,272 suicides, 5410 homicides and 9222 deaths from "injuries at birth") in the registration area of the United States during the six years, 1900-1905, were the result of accidental drowning. Undoubtedly much of this loss of life was the result of carelessness on the part of those who paid the penalty with their lives, and much may also be attributed to criminal neglect of, and indifference to, the well-known safeguards on the part of those responsible for the safety of the public while on or near water, either pursuing their various duties, or seeking legitimate forms of recreation. Parental neglect is also an important factor in the child mortality from drowning accidents. That these are stubborn facts it would be easy to demonstrate by hundreds of examples. As a nation we seem to have become almost indifferent to death, and disaster piles upon disaster with little appreciable efforts to forestall and prevent. So long as we remain steeped in apathy preventable deaths from accident and disease will annually enter into our mortality records by the tens of thousands.

THE MIDDLE STATES.

Pittsburg Life Association Holds Enthusiastic Meeting.

The annual banquet of the Pittsburg Life Underwriters Association was held at the Duquesne Club on September 9. The usual enthusiasm which attends this meeting was manifest throughout the evening.

Among the guests present were: Charles Jerome Edwards, newly elected president of the National Association; Herbert C. Cox of Toronto, first vice-president; William H. Herrick of St. Louis, second vice-president; Colonel William A. Waite of Detroit, secretary; Frank E. McMullen of Rochester, the latest ex-president; C. V. Dykman of Long Island City, and E. R. Putnam of Rochester.

Following the banquet Walter M. Hayes made a report on the Toronto convention, after which Mr. Edwards delivered his address, constituting the feature of the evening, and in which he outlined the policy of the National Association for the next twelve months.

Mr. Edwards made it plain to his audience that it would be the purpose of the association to discourage, as far as possible, the practice of twisting; to oppose schemes by which life insurance is sold on the advisory board plan and stock features in connection with life insurance. That the public still has great confidence in the institution of life insurance Mr. Edwards believes implicitly, and to substantiate his belief he referred to the writings so far this year.

As to the present situation in the life insurance business Mr. Edwards said:

Is the trouble in the life insurance business very largely among the field men? Is it in the agency system? One unfortunate feature of recent legislation is that it tends to the elimination of the middleman, the general agent. To my mind the general agency system is the backbone of the life insurance business. The soliciting agent as a composite character must, from the very nature of his work, be different from the ordinary wheel-horse. To analyze him, he is at once independent of nature, impatient of direction and restless of control; sets his own mark and glories in being a free lance. His persistency is the constant drop of water that wears away stony indifference. But he is human; he demands sympathy in his work—enthusiasm is the fuel that fires his efforts; he requires inspiration, and instinctively seeks it from day to day. And it is the general agent who supplies the electric spark and enthusiasm within him who creates energy and inspiration for the agent and creates results for the company. It is he who carries the message to Garcia.

The most serious phase of our business is the agent who is just discouraged, not dissatisfied, but disheartened; the man who becomes inoculated with pessimism and cannot see the silver lining; who won't believe that things are looking up. But I am afraid that in our sympathy we have over-commiserated with the agent, which has led directly to his discouragement. It is time that we faced conditions bravely, and, while seeking relief through proper channels, do our utmost to rejuvenate, inspire and upbuild the agency relation in the field.

And this brings me to the general agency situation. Formerly the general agent was supposed to do as much field work as any of his agents; but the life insurance business has advanced beyond that idea. The manager of to-day must be a general, a leader; must give of his ability to discover or create agents, work with and assist them, finance them, and meet many expenses not on the company's schedule. Otherwise he might be selected by lot or the office rotate in yearly succession, leaving the office direction to clerks.

But what of the agent who has always been an agent, who claims that he is still an agent, but flounders in the mire of these disturbances? As I have already said, I think we grant too much commiseration to the luckless agent, and thus help to discourage him. And then there is the agent who knows his troubles and can tell you who is to blame, anybody, everybody other than himself. My observations are that the business that is being produced to-day is being written by a comparatively few agents—men who have been all through these two years of suffering and are now writing a larger business than ever before.

What the agents in the field need to-day is the inspiration of the enthusiastic, aggressive general agent and field supervisor.

Mr. Edwards then expressed the hope that the New York statutes would be revised in regard to the rate of compensation paid to agents on endowment policies. He referred to the large increase in the amount of term business being written, and the resulting adverse selection against the company.

Death of Jacob L. Halsey.

Jacob L. Halsey, former vice-president of the Manhattan Life Insurance Company of New York, died on Monday, September 9, in his eightieth year. Mr. Halsey spent his entire business career in life insurance work, having entered the service of the New York Life in 1846, before he was eighteen years of age. After two years service with that company he went with the American Mutual of New Haven, and upon the organization in 1850 of the Manhattan Life, he transferred his services to that company. For fifty-five years he was prominently identified with the Manhattan, rising through various grades to the office of vice-president, which he occupied for many years. In June, 1905, Mr. Halsey retired to enjoy a well-earned rest, at which time his associates paid him many endearing tributes.

In all the years of his connection with the business he was one of the most approachable as well as one of the most lovable of men. During his career he had seen life insurance grow from puny infancy to giant strength, and had watched the development of the great master minds of the business. His life work is done, and many can bear testimony to the fact that it was well done. The funeral services will be held to-day at East Orange, N. J., where he had his residence for many years.

—A. F. McDonald, formerly Pittsburg manager of the Mutual Life of New York, and vice-president and general manager of the Reliance Life, has reentered the life field as manager of the Economic Life in Pittsburg.

—The committee on the prevention of tuberculosis of the Charity Organization Society of the City of New York, through Paul Kennaday, secretary, is prepared to give detailed information regarding the new children's hospital for the treatment of bone tuberculosis, for which New York city has reserved 1000 feet of its new five-mile beach at Rockaway.

—The Continental Life of Wilmington, Del., is about ready to begin business. The company will have a "preferred dividend" feature similar to that of the Northern Life of Chicago, by which policyholders get dividends before the stockholders. Annual dividend and non-participating policies will also be written. The officers are: President, Philip Burnett; second vice-president, George E. Saulsbury. The company will operate with a capital of $100,000 and $25,000 surplus.

—The Superintendent of Insurance of New York State has made public an opinion given by Attorney-General Jackson in regard to the New York Safety Reserve Fund of Syracuse, which transacts business on the co-operative or assessment plan. It has been found that several of the association's methods are contrary to law, but rather than proceed against it, the Attorney-General advises that the management be given an opportunity to correct the features objected to by the Department.

THE NEW ENGLAND FIELD.

Agents of the Travelers Meet in Convention.

The sixth annual agency convention of the Travelers was held on August 27 in the assembly hall of the company's new office building, which was beautifully decorated for the occasion. About 150 agents attended, some coming from points in far off California.

President Dunham made the address of welcome, in which he expressed the belief that the country was approaching a critical period in its history, owing to the flood of legislation designed to control corporations; the conflict between the Federal and State governments in matters of corporate legislation and the great variety of forms which legislation takes in the several States. Mr. Dunham said that the company had written more business during the present year than in any corresponding period in its history.

Vice-President John B. Lunger announced the honor roll for the year as follows:

Life Department—Spencer & Co., New York city; Poggenburg & Co., New York city; William McCaw, Montreal, P. Q.; O. F. Lenhardt, Norristown; J. L. Haas, Montgomery; J. H. Johnson, Cleveland; F. C. Brinkerhoff, Springfield; J. K. Chichester, Boston; Walter Brem, Charlotte; M. L. Schwartz, Buffalo; Norman Foster, Trenton; Ira B. Thayer, Toronto, Ont.; Charles M. Rogers, Boston; S. P. Ficklen, Washington; A. W. Plum, Bay City.

Accident Department—Frank H. Wells, New York city; James G. White, Boston; John H. Walker, San Francisco; C. D. Holman, San Francisco; W. B. McBride, New York city; E. W. Goff, Austin; J. P. McDermott, Fond du Lac; Charles E. Carver, Los Angeles; Sam Bucklew, Fort Worth; Stewart Clark, Chicago; A. E. Howard, Hartford; Jules Dreyfus, Shreveport; Thomas Coulton, New York city; Montgomery Wilcox, Philadelphia; William McCaw, Montreal, P. Q.

Liability Department—F. K. Gaston, New York city; Taft & Rockwood, Chicago; A. C. Allison, New York city; J. R. Beinert, New York city; F. H. Osburn, New York city; John C. Paige & Co., Boston; A. M. Chapoton, Detroit; Fraley, Moses & Co., St. Louis; H. G. Gilmore, Springfield; A. G. Crandall, New York city; E. H. Coe, Dayton; P. S. Laurence, New York city; W. N. Stark, Worcester; J. H. Henderson, Iola, Kan.; J. L. McCormick, Reading.

Business sessions were held each day, and on Tuesday, August 27, the delegates inspected the handsome new building of the company. On that evening a smoker was given, and on Wednesday a buffet lunch at the County Club at Farrington, followed by a golf tournament and ball games.

THE WEST.

—The Beacon Life of Springfield, Ill., is a new assessment company, which has just entered the field.

—The American Patriots of Springfield, Ill., has absorbed the American Benevolent Association of St. Louis.

—Auditor Carroll of Iowa has revoked the charter of the Eagle Benefit Protective Association of Waterloo.

—The Ohio Legislative Insurance Commission will meet on September 24 to discuss bills to be presented at the coming session.

—The Knights Templar and Masonic Mutual Aid Association of Cincinnati is preparing for another increase in rates. The last increase was made in 1901.

—L. C. Davis has been appointed supervisor of agencies of the Central and Southwestern departments for the Columbian National Life, with headquarters in Chicago.

—William F. Bechtel, former president of the Northwestern National Life, who was sentenced to serve five years in prison on a charge of grand larceny, has been granted a new trial.

—Hereafter it will be the policy of the Indiana Department to require an examination of every insurance company seeking admission to Indiana, if it was not licensed during the year past.

—The Royal Union Mutual Life of Des Moines announces the appointment of A. P. Osborne, formerly district manager of the New York Life at Joplin, as manager for Western Missouri, with Kansas City as headquarters.

—The American Central Life of Indianapolis, up to September 1, showed an increase in surplus of $121,464. Its ledger assets were on that date $1,776,815; mean reserves, $1,370,393, and surplus to policyholders, $406,422; gain in insurance in force, $1,000,000.

—The Alliance Life of Chicago, an assessment company formerly known as the Peerless Life, was recently examined by the Illinois Department, and is now in the hands of C. H. Hamill, attorney for the Department, who will either close up the concern or compel it to relinquish its charter.

—The territory of the late W. H. Surles, general agent of the Northwestern Mutual Life in Wisconsin and Northern Michigan, has been divided into six districts, with headquarters at Racine, Madison, Sheboygan, Oshkosh and Marquette, each under a general agent. A seventh district will be formed, with headquarters at Milwaukee.

—The Missouri Department has ruled against the issuance of the annuity certificate of the Great Western Life of Kansas City. The annuity certificate was a modification of the board plan and was an agreement whereby the purchaser of the certificate was to receive a pro rata share of 25 cents upon each $1000 of business done by the company.

—The Iowa Department has licensed the Western Mutual Life of Iowa, with headquarters at Council Bluffs, to operate as an old line level premium company on the mutual plan. Its officers are: President, C. N. Atherton; vice-president, Victor E. Bender; secretary, A. W. Bannick; treasurer, Perry Badollett. The board of directors is composed of the officers and Donald Macrae, C. Hafer and S. T. MeAltee.

—The Pioneer Life Insurance Company of North Dakota has been organizing for some time, and is now about ready to begin business. The company has a capital of $100,000 and surplus of $50,000, and will write non-participating business on a three and one-half per cent reserve basis. The home office is at Fargo and the officers are: President, Wm. C. Macfadden; secretary, L. D. Corbett; treasurer, Geo. M. Young; vice-presidents, Jas. M. Mathews, E. Y. Sarles and R. E. Barron.

THE SOUTH.

—The Security Mutual Life Association has been started as a mutual concern at Salisbury, N. C. S. L. Adcock and J. M. Maupin are promoting it.

—Chas. C. Hazell, formerly with the Union Central Life in Alabama, is now with the Equitable Life of New York as superintendent of agencies for the Atlantic division.

—C. J. Palmer, formerly with the Massachusetts Mutual and the Prudential in the Southern field, has been appointed secretary of the Protective Life, which is being organized at Birmingham, Ala.

—The Kansas State Life of Topeka has been chartered. The directors are A. Bosworth Headington, A. C. Longren, J. R. McNary, E. C. Longren, E. G. Ekblad, F. C. Bowen and P. S. Bangs, all of Topeka.

—The Keystone Life of New Orleans has instituted mandamus proceedings against the State Insurance Commissioner of Louisiana to compel the acceptance of $100,000 deposit in mortgage notes and stocks, which had been rejected on the ground that the law requires security in the shape of cash or bonds.

—The Manhattan Life announces the appointment of Alfred Boyd, Jr., of Covington, Tenn., as general agent for the State of Tennessee. Mr. Boyd is well known throughout the State, and is a thorough insurance man, having

formerly been connected with the Equitable Life Assurance Society, in which company he made an enviable reputation as a producer of first-class insurance.

—Insurance Commissioner Prewitt of Kentucky has filed injunction suits against the Home Fraternal Union and the Union Beneficial Society of Louisville, on the ground that they are attempting to do a general insurance business while claiming exemption under the fraternal insurance laws of Kentucky.

MISCELLANEOUS LIFE NEWS.

ANNUAL MEETING OF AMERICAN LIFE CONVENTION.

[SPECIAL REPORT FOR THE SPECTATOR.]

INDIANAPOLIS, IND., September 7.—Officials of forty-three Western and Southern life insurance companies met here in their third annual convention on Thursday, Friday and Saturday of this week. Mayor Bookwalter, who opens everything, made the address of welcome. While confessing to a reputation for being able to talk interestingly on subjects he knew nothing about, he disavowed any intention to give the delegates a lecture on their business. Nevertheless he submitted a few poiuts. In closing he refused to hand over the keys of the city on the grouud that nothing was locked. Everything that a good life insurance man might want to get into was open, and the mayor gave everyone a hearty welcome.

B. H. Robison, of Omaha, responded briefly and moved a vote of thanks to the mayor for his kindly welcome. A vote of thauks was also extended to Mr. Robison.

The organization composed of the Western and Southern companies was formed to oppose Federal supervision of life insurance, to resist stringent legislation, such as would enforce standard policy forms, and to perpetuate the preliminary term method of valuation. In his opening address President Charles E. Dark reiterated the purpose of the convention and read the resolutions adopted at the 1906 convention. He recommended that the association form educational, actuarial, medical, legal aud agency departments. The immediate fruit of the recommendations was the organization of a legal department composed of the attorneys of the various companies.

The report of the executive committee showed a gain of eight compauies to the association duriug the past year, and a cash surplus of $649 as against $91 in 1906.

At the close of the first session, Paul Woolston introduced a resolution on the death of Wm. T. Standen of the Capital Life of Denver.

On Thursday afternoon W. H. Gregory of Louisville read a paper on "How fast a young company should grow." He insinuated that he had been invited to talk on the growth of a young company because his own had shown an ability to set a pace. He confessed the impeachment and set out with the proposition "As fast as it can, consistently with good business principles." He called attention to the great development of the Southern States in recent years, and urged that the South should have its own life insurance companies.

A peculiarity of this convention was that in a majority of cases those who were appointed to lead in discussion read papers and so fully occupied the time that general discussion was impossible. On Friday morning Mr. Wilbur of the Federal Life commented briefly on Mr. Gregory's topic.

A paper was expected on "Investments and surplus," but the delegate failed to appear, and I. M. Hamilton made a brief informal talk on the subject. He assumed that the large so-called Eastern companies aim to make the most profitable investments, and in his view this involved speculation. He was opposed to fluctuating securities and believed in the most rigid conservatism in investments. Wilbur S. Wynn, B. H. Robison and others participated in a brief discussion.

On Friday morning T. F. Giddings, superintendent of agencies for the Michigan Mutual, delivered himself of a few remarks on "How can we retain good agents and eliminate bad ones?" He evidently did not feel called upon to write a book on the subject, and the signal merit of his paper was brevity. He began with the old receipt for making a welsh rabbit, namely, "First catch your rabbit," and proceeded to show that the real problem of insurance companies is to find good agents. Having once secured them fair treatment will hold them. They should be constantly encouraged, sympathized with and kept in close touch with the home office.

In the discussion W. A. Lindley, of the Security Mutual Life of Nebraska, expressed his disapproval of advisory boards, board contracts and stock-selling devices. In his opinion they are largely responsible for vicious legislation and bad agents. Mr. Sudlow, Mr. Robison and others joined in the discussion.

Perhaps the most striking paper of the convention was read by Samuel B. Smith, counsel of the Volunteer Life, of Chattanooga, Tenn. Mr. Smith undertook to show that the right of contract is crystallized in life insurance policies and not in law. He gave a brief history of early life insurance, and a synopsis of nine clauses of the New York Life's contract in 1845 that would now be considered rigorous. He then described the modern policy and showed that the principal features of the standard policy as imposed by the Armstrong law are practically embodied in the contracts of most American life insurance companies. He concluded that insurance companies may be trusted to provide a just contract, and argued that it is unnecessary for the law to prescribe forms. The paper met with a hearty approval and was ordered printed in pamphlet form. Practically no discussion followed. Dan W. Simms of the LaFayette Life stated that if he objected to the paper at all it would be on the ground that it was somewhat extreme in asserting the company's rights as against the State's. He suggested that the fine-print clauses in contracts have been in some measure responsible for the agitation for standard policy forms.

Dr. M. M. Lairy of LaFayette, Ind., considered "Undesirable risks" on Friday afternoon, and confined himself exclusively to the symptoms of tuberculosis and the necessity for guarding against the disease. The leaders appointed for the discussion were absent, and Drs. Woolen and Kitchen of Indianapolis were invited to participate. They discussed albuminuria, and advocated the use of the microscope in urine analysis whenever possible.

The next item on the programme called for a paper on "Sub-standard or impaired risks," by Paul L. Woolston of Denver. He gave a somewhat more comprehensive definition of "sub-standard" than is usually employed and described the various methods of treating the sub-standard risk. In the absence of accurate and available experience tables he recommended caution to young companies in the writing of such risks. The time allotted for discussion was consumed by two other papers on this topic.

The last paper on the programme, "How can assets be adjusted to protect the company from evils of possible panics?" was assigned to Sidney A. Foster of Des Moines. Two of the appointed leaders of discussion followed with papers, but the topic excited debate and the most interesting session of the convention ensued. Mr. Foster called attention to the fact that for many years Eastern companies were prejudiced against farm loans for the reason that Eastern farms suffered a great depreciation in values. Eastern companies were further handicapped by the New York laws, which did not permit them to invest their assets outside of a radius of fifty miles from New York city. These laws were repealed only a few years ago, but they accounted for many of the fluctuating securities of the Eastern companies. Mr. Foster himself was making all the farm loans he could, because they are the best class of securities in Iowa, but this question must be determined by local conditions and not by a general principle. He thinks that if a company is so restricted in its growth that one man may carefully select its securities the danger from panics will be slight. Dan W. Sims was an enthusiast on the subject of farm loans and would be glad to see the entire assets of his company invested in them. The prolonged discussion necessitated an extra session in the afternoon, although the convention was scheduled to close at 12 o'clock.

Before adjournment a gavel and souvenir inkstand were presented to President Dark as an expression of appreciation of his services during the past year. This suggested other souvenirs and an arrangement was made to present former President Reynolds and Secretary Blackburn with suitable mementoes.

At the final session Wilmer R. Moore introduced a resolution providing for a committee to consider a bureau for the exchange of information relative to postponed and rejected risks. The resolution was carried without opposition.

Secretary Blackburn made a highly optimistic report describing the prosperity of the association in point of membership and finances and hoped to report a membership of seventy-five at the next convention. He hinted that the business of the association was making great inroads upon his time, as well as his stenographer's, and upon motion of Mr. Foster of Iowa, his allowance for stenographer was raised from $100 to $300 a year. He was tendered a rising vote of thanks and re-elected for another year.

A resolution reaffirming the purposes of the association was closely followed by a report from the committee on departmental supervision, and a vigorous debate ensued. I. M. Hamilton adverted to the old grievance of burdensome taxation and suggested that members of insurance departments and the legislators should receive information as to the real payer of insurance taxes. President Dark and Mr. Wynn of the State Life debated briefly the question of supervision. Mr. Dark thought that Federal supervision would mean the most gigantic insurance trust on earth, and Mr. Wynn replied that if all companies present were compelled to report to thirty-five Insurance Departments with their varying re-

strictions and irregularities of interpretation, the companies would quickly be converted to the plan of Federal supervision.

The nominees for the presidency were Bascom H. Robison of Omaha, and Samuel B. Smith of Chattanooga. The contest was spirited, the candidates being so popular that some delegates declined to make a choice, and others tossed up coins. Twenty-six votes were cast and Mr. Robison won by a margin of five. The votes were taken by a roll call and a pleasing feature was the complimentary vote which the candidates gave to each other. Samuel B. Smith was chosen chairman of the executive committee for 1907-08, with the following members: Charles E. Dark, Indianapolis; I. M. Hamilton, Chicago; D. D. Crockett, Texas; J. B. Reynolds, Kansas City. The next convention will be held in Colorado Springs or Denver, but it was decided to leave the final choice to the executive committee.

Extracts from Papers.

SACRED RIGHT OF CONTRACT CRYSTALLIZED IN LIFE INSURANCE POLICIES, NOT IN LAW.

The above was the title of a lengthy address by Samuel Bosworth Smith, counsel Volunteer State Life of Chattanooga, Tenn.

If we run back to the early days of American insurance, which can be covered by the lives of men not yet out of active life, we look in vain for any step in the progress of the science that has been first discovered by any legislature. In no other line of the world's work have the results of competition been so manifest, in no other walk of the business world have men's minds been so active to seek a just balance of the contract between company and man as has been the case in life insurance.

The early policies of life insurance in this country were based upon the experience of English companies, were written without medical examination, and were simple promises to pay in case of death a sum certain. No matter how long the policy might run, there was no extension of insurance and no days of grace; unless the premium was paid on a day certain, no contingency prevented the total lapse of the policy and all payments made thereunder, and this despite the fact that the policies were written on the old line legal reserve plan, and that the accumulated reserve belonging to the policyholder was in the hands of the company. * * *

With the advent of the dividend and the introduction of the non-forfeiture feature, the modern life insurance policy stepped upon the stage. Step by step the policy developed, and step by step restrictions were removed, but the fundamental and basic principle of the policy of insurance was the non-forfeiture clause. * * *

One of the fundamental and basic ideas of the common law of England is the sacred right of contract. The Anglo-Saxon people and their descendants resent any interference by the State with the right of the individual to make any contract not illegal per se which the citizen or denizen may desire to make. When uniform fire insurance policies first made their appearance on the statute books of the different States, the constitutionality and power of the State to so inerfere with the right of contract was bitterly contested.

Following this line of thought, antagonism to life insurance companies has reached its limit in the creation of a standard form of policy for New York State, and the effort to induce other States to impose upon the public such standard forms. * * *

Analyzing the New York standard policy, it will be seen that no company of prominence in the United States issued a policy less liberal to the policyholder than that provided by the New York standard. The one real restriction in the policy, in so far as it affects the companies and the assured, is the compulsory annual dividend clause. This clause is supposed to be a limitation on the right of the company. It seems to the writer to be more a limitation on the right of the individual to take such form of contract as may be best suited to his interests.

I understand the argument that deferred dividends constitute a semi-tontine policy, and to that extent may be in some respects a gamble. The deferred dividend is not a tontine policy. The tontine policy was that form of policy, under the terms of which the policyholder received nothing except in case of death or continuing his policy to the end of the term. In case of lapse, all the money paid in, including his reserve, went into the surplus fund of the company. No such policy is now written in the United States, as it is recognized that the reserve, subject to a small surrender charge, is the property of the policyholder, at least after the third year. * * *

A curious result has made itself apparent since the passage of the Armstrong law. Its terms are aimed, especially in so far as the annual apportionment and the compulsory dividend clause is concerned, against the so-called tontine system. By the tontine system, as developed and made to apply to the idea of any deferred dividend, is meant, in common parlance, that system which gives an additional benefit to the persistent policyholder because of the death or lapse of other policyholders who do not get their proportion of the accumulated surplus earned by the company. The annual dividend clause of the Armstrong law not only does not eliminate this tontine idea, but absolutely perpetuates it under a strict statutory provision. Since the passage of the Armstrong law and the issuance of the policies thereunder, an investigation of the premium and the surrender values of three of the largest companies of New York discloses the fact that one of these companies has increased its premium over that charged prior to the passage of the Armstrong law five per cent, and it, together with two other of the largest companies, have decreased their surrender values about twelve per cent. An ardent adherent of the Armstrong law, and one of the Committee of Fifteen, on having his attention called to this fact admitted its truth, but stated that the result would be a decrease in the cost of insurance to the assured because the annual dividends would be larger. In other words, by increasing the cost of insurance and reducing the surrender values, the persistent policyholders would get a larger annual dividend, owing to the fact that the lapsing holders receive a smaller surrender value. I fail to see the distinction between this system of tontine distribution, and that system which gave no dividends for a period of years to those lapsing or dying within the term, and distributed the amount thus saved to the persistent policyholders. In the one case the retiring policyholder sacrificed his dividends, but had a large surrender value; in the newer and legalized form, he draws a speculative amount of dividends at the sacrifice of a certain amount of surrender value, and the persistent policyholder in each instance is benefited. The annual dividend on this basis is just as much a tontine policy as the deferred dividend policy can possibly be, and if the one is unjust, the other is doubly so as it is countenanced by law. * * *

"The sacred right of contract crystallized in life insurance policy, not in law." Why should the lawmakers seek to step in and formulate contracts for the people in this most sacred of all contracts? In the large majority of cases policies of insurance are taken by men of maturity, who know what they want. Why should they not be permitted to get what they want? There are upon our statute books anti-rebate laws which are just; there are in our statutes just and proper laws which require life insurance companies to maintain certain assets, to invest in certain securities, to make annual reports, to be constantly under the eye and subject to be called upon by numbers of State officials; to maintain reserves upon specified rates of interest; to none of which laws have the leading insurance companies made any objection. The attitude of supposed reformers towards the life insurance companies is one of distrust and criticism, yet in no other financial or commercial enterprise has there been such liberality displayed as has been shown by the life insurance companies of America to their policyholders. As has been already said, the insurance contracts of to-day are the successful culmination of years of study and of development from the highest order of mentality. Left untrammeled, there is no reason to suppose that life insurance will not progress as much in the next fifty years as it has in the past fifty years. Trammeled by restriction, by contractual limitation, by interference from legislators who, though well-meaning, cannot know the practical workings of a great financial system, progress in life insurance will be throttled and temptation to competition will be killed. * * *

The great cry of the present day is for the cheapening of life insurance. I venture the assertion that for one law upon the statute books of any given State which has decreased the cost of life insurance, five laws can be pointed out which have increased it. As a matter of fact, there is yet to be placed upon the books a law which can be said to have decreased the cost of insurance to the assured, or one law the operation of which can be shown to have put one dollar in the pockets of the assured. In speaking of such laws I except, of course, from the category those laws which look to the solvency and integrity of the company. Such laws are essential, but beyond this the legislature should not go. * * *

I think that by concerted action, and by the appeal to reason, we can make the public see that this sacred right of contract has become crystallized in the forms of contract, which have grown and developed and matured, and that law has had nothing to with it. I think we can make them see that freedom of action is the heritage of the free man, and that when the public really appreciates the stability of the life insurance companies, the liberality of their contracts, their earnest desire to fulfill in the spirit, as well as the letter, any obligation entered into, that the people of America will rally to the support of this great and advancing financial science, and will demand that it be left unfettered and unclogged to fulfill its glorious destiny.

SUB-STANDARD OR IMPAIRED LIFE RISKS, AND HOW A SMALL OR NEW COMPANY CAN AFFORD TO WRITE SUCH BUSINESS WITH SAFETY.

Paul L. Woolston, consulting actuary, of Denver, Col., delivered a well-considered paper on the above subject, from which we make the following extracts:

First of all, then, we have to define the word "sub-standard" as used herein. There seems to be no uniformity of interpretation in regard to this term. Do we include thereunder lives which are not eligible for the policy applied for, but for some other form of policy? Do we include sound and normal lives engaged in more or less hazardous occupations? Do we include lives accepted on any form of policy during a limited term of years, but unacceptable thereafter?

If the term includes all lives requiring special treatment, then practically every life insurance company now doing business issues a limited amount of "sub-standard" business. A company writing term insurance, for example, if properly conducted, finds many lives unavailable for term insurance, but to whom the benefits of the various forms of policies requiring higher premiums may be extended. Certain occupations are in individual cases safely accepted on endowment forms, not for the whole of life. An overweight, within limitations, is written by many companies for a twenty-year endowment or a gold bond or other high premium policy.

There is, therefore, no fixed line of demarkation between standard and sub-standard lives. Said standard varies materially with the methods of different companies and the personal equation of the medical director passing upon the risks. * * *

There are four methods more or less in practice in America in the treatment of sub-standard risks:

1. The method of refusing a low premium policy applied for, but accepting the risk on some other form. * * *

2. The second method is by charging against the policy a lien, deductable from the amount payable at death and gradually decreasing with the payment of premiums until the lien has entirely disappeared. * * *

3. A third method of treating sub-standard lives is by rating up the age, which, to some extent, is equivalent to charging an extra premium. There is, however, this difference, which is one of practice rather than theory. When an extra premium is charged, usually for a specially hazardous occupation, the provisions of the policy, including the non-forfeiture values, are unchanged. On the other hand, when the age of

an applicant is rated up, the non-forfeiture values are correspondingly increased and the applicant is treated in all respects as though the rated-up age was the actual age. The reserve carried by the company is for the assumed age. * * *

4. A further method of providing for an impairment not excessive is by placing the policies in a special class in regard to dividends. In this manner moderately hazardous occupations, such as policemen, firemen, army officers, etc., may be provided for. This method is applicable only where the dividend payments are deferred for not less than ten years, and only on the policy forms in which the investment portion of the premium is large, in order that the dividends under normal conditions may be sufficient to meet the abnormal mortality, which will surely be experienced. A further safeguard against a deficit should be placed about these risks by paying the agent only a small first year's commission, with no renewals. In general, every effort must be made to increase the dividends applicable to these special forms. * * *

There are two serious dangers to be overcome by the small, young company considering the advisability of entering the field for sub-standard business:

1. The incomplete and unreliable nature of the data available for a scientific treatment of this class of business.

2. The dearth of medical and actuarial assistance with sufficient experience and the almost certain result of an unfavorable mortality. The first objection is partially met by the specialized mortality investigation of the Actuarial Society, the paper by Arthur Hunter on hazardous occupations and various minor publications on allied subjects. * * *

The second danger to be met from inexperienced advice is largely one of personality. A company desiring to enter this field should see to it that the medical director has made a special study of sub-standard risks in respect to mortality. The same applies to the actuary. * * *

Summing up, therefore, a small or new company cannot afford to write sub-standard business without limitation. There is at present no method by which such business may be made absolutely safe. The enterprise would be a speculation just as certainly as an investment on margin in the stock market. The venture might possibly prove a success, would almost certainly be an expensive failure. Sub-standard risks where the extra mortality expected is light may, however, be written with safety in a few cases by issuing a high premium policy, in others by charging an extra premium or by creating a special class in respect to dividends. In no company should the standard unimpaired risks be compelled to pay the extra mortality on sub-standard lives. This constitutes discrimination and is unlawful in many States; also it is neither business-like nor equitable. The limits of acceptable business should be as definitely fixed as possible, and should not be varied to please an executive officer or an agent. To treat these sub-standard cases correctly, the company should have at all times experienced medical and actuarial assistance, and their opinions should agree. In cases where this is impossible a third designated and experienced officer without connection with the agency department should decide, and all decisions should be a matter of record for reference. Every case should be carefully followed in order that the company may possess the data for a future investigation of its own experience. The technical details should be worked out by the medical director and the actuary. Under these conditions there seems to be no reason why a company should experience a more disastrous mortality on certain sub-standard risks than on standard business, assuming the business to be sufficiently large and well scattered. * * *

HOW CAN ASSETS BE ADJUSTED TO PROTECT THE COMPANY FROM THE EVILS OF POSSIBLE FINANCIAL PANICS? CONVERTIBLE ASSETS.

The above topic was discussed by Sidney A. Foster, secretary of the Royal Union Mutual Life of Des Moines. He said in part:

The safe and profitable investment of the money for the policyholder is the gigantic problem of life insurance administration. When all property values are increasing, to their maximum, the short-time investor finds over-the-counter labor easy, agreeable and profitable; and when financial depression comes, and values are decreasing, restrictions are easily adopted, limit given to credit, and with the cash called in, it leaves the money in the vaults of the institution, where if it is not earning a profit, it is taking no risk of loss.

But the stern assumptions of an interest-earning power by a life insurance company demands imperatively that a definite interest rate must be earned on every dollar of the principal for which a reserve liability exists. The parable of the ten talents illustrates that the hidden-in-a-napkin method may do for the short-time loaner and banker, but can never be permitted in life insurance investments. Therefore, while equal energy in the use of unequal endowments, in the moral teachings of our Savior, may bring an equal reward, compulsory investments of trust funds lifts life insurance investments above the voluntary ambition of the individual responsibility, and forces the official determiuation to constant and unrelenting effort, for interest results must be accomplished for every year, going on indefinitely, so long as there is a dollar of insurance to be earned.

There are men who talk glibly of what to do and how to do it, and point the way, that have in their own lives made little progress in their personal affairs; and their theories are hardly to be considered seriously, nor are they competent to take charge of large financial and business institutions as compared to men who have made them a life study and have years of experience. But of this the public, not schooled to discriminate, looks only to the huge results, and seems, in legislation, to contemplate that this growth of enormous assets is not the result of wachful, painstaking and thoughtful energy, regarding it as too much like the growth of the forest, due to the multiplying processes of Nature. * * *

Presuming that "convertible assets" means railroad and other securities having a negotiable value and whose prices are quoted on the exchange, one way to prevent the evil of possible impairment of values is to carry them and report them in all annual and financial statements at a figure nearer the cost price, rather than the market value, without regard to current appreciation. This would temporarily reduce the surplus by a considerable amount in those companies whose assets are composed largely of convertible bonds and stocks. If the original purchase was wisely and deliberately made without expectation of benefit from any other than a bed-rock investment, and held that way in the reports, then the future credits could be held stable and unvarying in the minimum of the price, while a conversion for advanced cash would add to the profits of the company and the fictitious value would never trouble the management, unless impairment should become permanent.

An agreement between the companies could be made, or, a ruling by the departments to this end would, in my opinion, avoid in large measure the evils of possible financial panics and would avoid overvaluation and fluctuations in values. These securities are usually carefully acquired and are worth what is paid for them; therefore, a fixed valuation—fixed on a conservative interest rate, would represent their real value, which should not be increased during the year when there happens to be a "boom" in prices.

If market values are to be taken advantage of in valuing assets, the valuation should be based on an average, giving a period sufficiently long to take into consideration the "downs" as well as the "ups" of the market, and not on December 31 when everybody, including insurance companies, are interested in making the biggest showing possible with too little regard for real values. At that time the market can be, and probably is, manipulated for a purpose by the larger financial interest.

ON THE PROPER PROPORTION OF LIFE INSURANCE INVESTMENTS. BY LUCIUS McADAM.

Notwithstanding its great importance, the subject of the judicious investment of life insurance funds with reference to the safety and progress of the system, has been for many years left to those in control of the finances of each company, acting upon their individual judgment. Their views, whether advanced, conservative or eccentric, have been modified in some degree by the statutes of the several States regulating the investments of the insurance company, and prescribing certain kinds of securities as demanded by the laws of the States. These statutes, however, do not undertake to regulate the amount or proportion of funds to be placed in each form of securities. In fact, they are often designed merely to compel investments in securities of the State itself, or of its municipalities and corporations. And latterly, some have gone further by requiring such investments when made, to be deposited within the State, apparently for purposes of taxation. Thus it has come to pass that individual views of finance supplemented by legislation more or less wise have controlled the investment of life insurance funds.

It is only recently that any attempt has been made to arrive at the general principles which should guide all companies in their investments. It is therefore timely and of great interest to us all, that the subject should be brought before the American life convention, as it has been by the address of Mr. Foster. These principles will probably be found not altogether in statutory requirements, but in the natural laws of the business itself, working themselves out in actual practice. Water will find its level, no matter how it may be held back by dams and conduits, and so the way will be found, with or without the statutes, to invest the funds of life insurance companies in such a manner as to combine the qualities of a productive rate of interest, with security of the principal, and the reservation of sufficient assets in a convertible form to meet unforseen contingencies.

In order to study the subject more closely, and to illustrate it more clearly, I have prepared a table, annexed to this paper, showing the percentage of the various kinds of investments to the entire admitted assets of certain companies. The original figures on which this table is based are contained in the Connecticut insurance report of 1907, showing the transactions of the year 1906 at page 766. In order to shorten the table I have taken only companies having over $40,000,000 of assets each, and these I have grouped by localities as follows: Three in Connecticut, two in Massachusetts, three in New York, three in New Jersey and Pennsylvania, two in the West, and finally the three great industrial companies. The division of assets falls naturally into the items of real estate, mortgage loans, callateral loans, policy loans, and bonds and stocks, all of which constitute the invested assets. Besides these are given the items of cash, accrued interest and deferred premiums, which constitute the uninvested assets. For the purpose of condensation I have omitted the amounts and give only the percentages. It will be well, however, for those interested to examine the original figures for greater clearness. Thus taking two extreme cases; the percentage of 7.5 in the mortgages of the New York Life represents an investment of $35,579,554, while the percentage of 0.02 in the bonds of the Union Central represents an investment of $10,000.

By an examination of the table as given, it will be found that the two grand items of investment are mortgage loans and bonds and stocks, and the proportion of each held by the several companies varies in a very marked degree. The percentage of mortgage loans to the total admitted assets runs from 7½ to 82.04 per cent, and that of bonds and stocks from 0.02 per cent to 71.79 per cent, the average being for mortgage loans 27.25 per cent, and for bonds and stocks 52.37 per cent. The real estate runs from 0.73 per cent to 10.96 per cent, and averages 5.21 per cent. The policy loans run from 2.73 per cent to 14.35 per cent, averaging 8.56 per cent. The total invested assets show percentages running from 89.37 to 97.22 per cent, but do not vary far from 95.23 per cent. Again the uninvested portion of the assets runs from 2.78 per cent to 10.63 per cent, averaging 4.77 per cent, while the cash on hand varies from one tenth of 1 per cent to 8.65 per cent, averaging 2.27 per cent. The table thus indicates a great diversity of views on the part of the financial managers of the companies, as to the method of investment of their funds, although partly accounted for by the laws of the States. The amount which may be invested in real estate is limited by law to the amount necessary for office purposes and temporary amounts coming from the foreclosure of mortgages. In some cases the law requires a certain proportion of the assets to be invested in mortgage loans. In certain foreign countries bonds are required and stocks prohibited. The item of policy loans is also to be reckoned with, as such loans are now made compulsory in many States at the option of the policyholder.

While these loans may be regarded as good investments in the way of maintaining reserves and interest, it should nevertheless be remembered that they are not convertible assets and cannot be used to pay death claims, or even to produce the cash for loans to other policyholders. These loans now average 8.56 per cent of the total assets, but are likely to form a larger proportion in the near future.

As a corollary to this table, I have added another showiug the net rate of interest realized on the meau amount of assets during the year 1906. This is also takeu from the Couuecticut insurance report of 1907, page 770. It may be noted that while the average rate of interest is shown to be 4.34 per cent, those companies having a greater proportion of investments in mortgage loans show generally a larger rate of interest. The two Western companies appear to have the largest proportion of assets invested in mortgage loans, and their iuterest rate was 4.38 and 5.50 per cent. This I thiuk tends to show the superiority of mortgage loans for permanent investments. In view, however, of the greater privileges in the way of advances and cash withdrawal now given to the policyholders, both by statute and by the liberal contracts offered by the companies, it would seem that a goodly share of the assets should be kept in a readily convertible shape so as to provide for all contingencies. It is difficult to prescribe any rule for this purpose, as much must necessarily be left to the judgment of the officers upon all the conditions prevailing.

If I were to make a geueral statement, I would say that the following percentages might be kept in mind as practical guides: Real estate, 5.00; mortgage loans, 50.00; policy loaus, 15.00; bonds and stocks, 25.00; cash, 5.00; total, 100.00..

It has been well pointed out that any rule or method will fail which does not include as a factor the personal integrity of the officers in charge, and an earnest desire on their part to do the best possible for the compauy and its policyholders regardless of persoual advantage. It might be well also to consult the actuaries more freely. They sometimes have ideas beyond mere figures and are quite removed from the temptation to self-seeking and personal aggrandizement.

You will pardon a little exhibition of professional pride if I refer to the remarkable record of the actuaries during the recent investigations iu New York. They aloue passed unscathed through the ordeal. While the demi-gods of finance were toppling from their pedestals and falling amid the ruins of their wrecked reputations, the actuaries stood unmoved, like High Priests with unpolluted garments beside the altars of life insurance. Amid the din of denunciation the real giants of the giant companies, McClintock, Weeks, Van Cise, remained steadfast, untouched by the shafts of malice, untarnished by the breath of scandal, clean, upright, uncorrupted and incorruptible.

PERCENTAGE OF INVESTMENTS TO ADMITTED ASSETS.
December 31, 1906.

Company	Real Estate	Mortgage Loans	Collateral Loans	Policy Loans	Bonds Stocks	Total Invested	Cash	Accrued Interest	Deferred Premium	Total Uninvested
Ætna	0.73	45.11	1.27	5.79	36.47	89.37	8.65	1.10	0.88	10.63
Connecticut Mutual	13.75	37.10	1.93	2.73	40.14	95.65	2.30	1.46	0.59	4.35
Travelers.	3.65	26.32	3.62	8.95	53.54	96.08	1.05	1.16	1.71	3.92
Massachusetts Mut.	1.32	38.43	....	12.13	42.68	94.56	2.10	1.35	1.99	5.44
New England	5.89	25.83	2.77	7.59	54.61	96.69	1.02	0.73	1.56	3.31
Equitable	6.77	21.51	2.18	8.27	56.19	94.92	2.96	0.79	1.33	5.08
Mutual	6.14	24.56	2.14	7.22	56.93	96.99	1.34	0.69	0.98	3.01
New York	2.69	7.50	1.15	12.17	71.79	95.30	2.03	1.08	1.59	4.70
Mutual Benefit	3.11	49.14	2.09	14.35	27.38	96.07	1.11	1.69	1.13	3.93
Penn Mutual	2.71	39.30	3.15	11.25	40.01	96.42	0.35	1.23	2.00	3.68
Provident L.and T.	3.88	22.44	6.01	8.33	56.56	97.22	0.16	1.17	1.45	2.78
Northwestern Mut.	1.23	50.17	....	10.03	34.86	96.29	1.26	1.43	1.03	3.71
Union Central	0.92	82.04	....	12.75	0.02	95.73	0.10	3.45	0.72	4.27
John Hancock	8.03	32.82	1.05	4.66	48.85	95.41	1.15	1.25	2.19	4.59
Metropolitan	10.96	30.58	0.57	2.58	49.03	93.72	2.83	1.12	2.33	6.28
Prudential	9.74	16.88	5.07	3.87	54.22	89.78	6.84	0.77	2.61	10.22
Averages	5.21	27.25	1.84	8.56	52.37	95.23	2.27	1.07	1.43	4.77

PERCENTAGE OF NET INTEREST TO NET ADMITTED ASSETS, YEAR 1906.

Company	Interest	Company	Interest	Company	Interest
Ætna	4.24	Equitable, New York	4.15	Northwestern Mut.	4.38
Conneticut Mutual	4.00	Mutual, New York	4.19	Union Central	5.50
Travelers.	4.41	New York	4.20	John Hancock	4.22
Massachusetts Mut.	4.36	Mutual Benefit	4.48	Metropolitan	4.14
New England	3.99	Penn Mutual	4.69	Prudential	4.10
		Provident L. and T.	4.38		

Average rate of interest, 4.34.

—The Mutual Life Assurance Company of Canada has elected Manager George Wegenast a director to fill the vacancy caused by the death of the late Alfred Hoskin. His title is now managing director. Other vacancies on the board were filled as follows: Sir H. Montagu Allan, L. J. Breithaupt, Hume Cronyn. E. P. Clement, K. C., was elected first vice-president, and F. C. Bruce, second vice-president.

Best's Insurance Reports.

We have received a copy of Best's Insurance Reports, upon fire, marine and miscellaneous insurance companies. The compilation follows that of previous volumes of the same publication, and is presumed to bring all data up to date. The volume is marred for preservation by the incorporation therein of the Best special report of the San Francisco conflagration, which was so erroneous and so subjected to criticism that it should have been consigned to early oblivion,

Casualty, Surety and Miscellaneous

Liability and Coinsurance.

While the subject of coinsurance has beeu exhaustively treated in conuection with all forms of insurance, and there have been many prophecies that no company could eventually afford, in all cases, to relieve the insured of their moral, as well as their financial support, yet we have not yet reached that point where any of these prophecies cau be sustained as proved. There are thousands of fire policies issued with a partial coinsurance condition, but the object sought is rather that of an adequate premium than of placing any portion of the loss on the insured. If the owner of a vessel insures up to its full value and the ship is lost, the insuring company pays the full amount, and nothing that the owner can do or can leave undone can, in any way, assist to mitigate the loss. With the exception, therefore, of the possible moral hazard if the owner can insure for more than the vessel is worth, or if he can make a profit out of the insurance if the vessel is totally lost, the necessity for coinsurance does not exist..

The conditions surrounding liability insurance are peculiarly its own, and the moral hazard plays so strong a part in the insurance that the result of the underwriting is permanently and seriously affected in proportion to the degree of neglect in this respect. A premium from risks where the moral hazard is uniformly bad canuot be made high enough to produce a profit. It is not too much to say that liability insurance, from its very nature, is bound to cover a large percentage of poor risks morally.

From its inception the contract is based upon no definite figure, such as exists iu all other policies of indemnity. The wages, which are accepted as the foundation of the premium, is an estimated amount not less than the past expenditure. Here we have at once a fruitful source of uncertainty. Take, for example, the large number of small contractors, who frequently put in bids for contracts based upon their observation, and, if it turn out a profit, the insuring company may receive a proper premium, but otherwise, the contractor goes elsewhere, leaving debts unpaid. There are many employers whose books do not disclose the amount of wages paid, and an estimate is made which is incapable of proof, but which may safely be assumed as unfavorable to the insuring company.

Many employers have an idea that they will not pay more than a certain sum each year for their iusurance, and if the rate of premium be raised, the employer will readjust the basis so that the premium charge remains constant. If an employer, with a payroll of $100,000 paying 50 cent rate, or a premium of $500, has his rate raised to 55 ceuts, he may suddenly find that he has included in his payroll some of the office force and that his correct estimate is $90,000, so that he pays only $495. Don't let it be imagined that the pay-roll audit will subsequently discover and correct the premium.

Or, take the experience on teams risks. It was found that the rate of $10 per team per annum must be raised to $15 per team iu order to pay for losses, expenses, and give a margin of profit. It might be supposed that an income of $100,000 from 10,000 teams at $10 per team would, if the rate per team be raised to $15, be increased to $150,000 for the same amount of risk. In actual practice, however, we find that the agent or broker notifies the assured of the raise in rate and is promptly advised that the insurance will be dropped. Thereupon the company has allied against it, not only the broker, but the insured, and the broker, rather than lose the risk and the attendant commission, induces the insured to again estimate his number of teams, which he reduces so that the premium is no greater. This is the actual practical result of the last important raise in teams rates, and the experience has not improved in spite of the increase. In fact, under the circumstances, it would be surprising if it were otherwise.

A reference to the recent tables published in these columns will show that the underwriting profit on all casualty lines, with an aggregate of $37,767,848 of annual premiums in 1906 was $1,190,980. The liability premiums in that year were $19,355,351, a slight excess over the combined accident and health premiums. Of the large amount collected last year, it is a low estimate to say that 10 per cent was received as the result of the increase of wages since 1896, when the rates of premium were fixed. Had wages remained stationary, the premiums would have been $1,935,555 less, while the risk would have remained the same. The companies must therefore credit any profit to the increase of wages and cannot attribute to good underwriting any margin between premium receipts and outgo.

If the companies were content with a normal increase of premium, there would be enough to satisfy all, and to give a handsome income each year to one new one, but in the struggle by brokers to twist a renewal,

each company is in turn invited to "shade" last year's quotation and premium rates show a gradual decline.

It cannot be contended that a person who has no financial benefit in a result can be as interested as the person whose pocket is affected, and, since the liability companies are assuming to relieve the employer of all liability, even up to increasing limits, it would be strange if they received the co-operation and assistance of the assured in the defense of the suits.

In view of the conditions surrounding liability insurance it seems that the companies should not place themselves in a position where the assured has no financial inducement to assist in the defense, and the proper remedy is for the assured to be responsible for at least 25 per cent of every verdict rendered, while the company should pay only the balance. In this way the constant increase in the cost of suits may be checked, the indifference of the assured in the result will cease, witnesses who now disappear at trial will be produced, and the assured will have an actual incentive to do his best for the insuring company.

Increase of rates are not effective; inspections of risks have not proved a remedy for the happening of accidents or reduction of payments and suits; underwriters cannot be everywhere and know the physical hazard of every risk, and it is therefore to coinsurance that attention is invited to correct, at least, one existing evil. Whatever rates may be obtained, it seems to us that coinsurance should form a feature of every liability contract that is issued.

Casualty Notes.

—The Ætna Accident and Liability and the United American Life have entered New Hampshire.

—The North American Casualty of Minneapolis has reinsured the business of the Metropolitan Casualty of St. Paul.

—Harry M. Coudrey & Co. have been appointed general agents of the Norwich and London Accident for Missouri and Southern Illinois.

—B. C. Mennihan, special agent of the Fidelity and Casualty in Canada, has been appointed resident manager in that territory with headquarters at Toronto.

—The Massachusetts Mutual Accident has issued a new contract called "Income Protecting Disability Policy," which is a straight accident and health policy without "trimmings."

—The board appointed by Governor Guild of Massachusetts to formulate rules for the operation of steam boilers has submitted part of its report containing a long list of rules.

—So far $100,000 of the capital stock of the German Commercial Accident of Philadelphia has been paid in. This company is a reorganization of the well-known Commercial Mutual Accident.

—Companies writing liability business in the State of Washington are endeavoring to arrive at an understanding regarding rates on all classes of risks. Interest has centered on lumber and shingle-mill risks.

—By the indictment and imprisonment of Maurice Fitzgerald, an attorney, having an office with M. Strassman, 280 Broadway, New York, the Alliance Against Accident Fraud has again accomplished one of the objects for which it was organized.

—William Bro Smith of the Travelers has been appointed chairman of the executive committee of the International Association of Accident Underwriters, succeeding W. C. Faxon of the Ætna, resigned. Mr. Faxon still remains a member of the committee.

—A considerable portion of the liability loss on the Quebec bridge, which collapsed recently, will be borne by the Ocean Accident and Guarantee, which insures all the work of the Phoenix Iron Company in this country. The amount of the loss is not known.

—The General Accident Fire and Life Assurance Corporation of Perth has reinsured the outstanding burglary, accident and health business of the Peoples Surety Company of New York. The plate-glass risks of the Peoples Surety have been taken by the New York Plate Glass.

—M. B. Johnson, formerly in the boiler inspection department of the Hartford Steam Boiler, has resigned to accept the position of special agent and inspector for the boiler department of the Ocean Accident and Guarantee, under General Agents Hatch & McGaughey of Atlanta.

—Some time ago it was announced that the National Travelers Benefit Association was being organized in Des Moines. The association has now had its plans approved by the Auditor of State, and has elected the following officers: President, Elmer Loucks; vice-president, T. B. Cookerly; secretary and treasurer, C. Franklin Johnson. Directors—E. J. Concannon, Walter St. John, J. C. Downs, James M. Bowie, Walter C. Warner, Harry E. Rex, T. B. Cookerly and Elmer Loukes. The association's headquarters are in the Crocker building.

Surety Notes.

—The States of Maryland, Virginia and Minnesota are conducting a joint examination of the United States Fidelity and Guaranty.

—The Empire State Surety has appointed M. C. Mann, formerly with the New York Plate Glass, manager of its plate-glass department, and F. Felter, manager of the plate-glass loss department.

—The bond for the contractors on the Shokan dam in the Catskills has been divided between the American Surety and the reinsurance committee of the Surety Underwriters Association. The bond is issued in the sum of $1,000,000 to MacArthur Brothers and Winston & Company.

TOO LATE FOR CLASSIFICATION.

—Henry L. Ayres has resigned as Chicago general agent of the Metropolitan Surety.

—General Agents Carstens & Earles, Inc., have placed the Travelers Fire of Pine Bluff with Fred Tebben, in San Francisco.

—The Inter-State Accident and Relief Association of New Ulm, the Union Mutual Insurance Company of Duluth and the Woodmens Mutual Casualty Company of Minneapolis have all been consolidated under the name of the Consolidated Casualty Company of Minneapolis.

—The Boston Board has appointed Warren S. Colegrove acting secretary and treasurer; F. E. Cabot, acting supervising engineer, and A. J. Lewis, acting assistant secretary and treasurer. These appointments must be confirmed at the annual meeting before becoming permanent.

REPORTS OF FIRE INSURANCE COMPANIES.

American Druggists Fire Insurance Company, Cincinnati, O.

The American Druggists Fire of Cincinnati proposes to double its capital of $100,000 so that it can enter a number of additional States.

American National Fire Insurance Company, Rock Island, Ill.

The Illinois Insurance Department has issued a license to the above-named company and it began writing business September 10, with a fully paid-up capital of $200,000 and a surplus of $50,000. The American National will operate as a non-union company, restricting its operations for the present to Illinois, Iowa, Missouri, Kansas, Nebraska, Minnesota, Michigan, Indiana, Ohio, Wisconsin, Pennsylvania and New York. H. D. Cummings, the Chicago local agent, who is one of the directors, will have a general agency for Cook county, Indiana, Ohio, Michigan and Wisconsin. The remaining territory will be handled from the home office.

British-American Insurance Company, New York.

The British-American of New York has discontinued business, and all of its outstanding risks have been reinsured by the Western of Toronto, which, together with the British America, has always had a majority of the stock, and has recently acquired the entire holdings. The business on the books of the British American will not be competed for by the Western.

Capital City Fire Insurance Company, Washington, D. C.

This company is being organized in Washington, D. C., with $100,000 capital and $50,000 surplus. The stock has a par value of $1, and is being sold at $1.50. W. E. Dulin is assistant secretary of the temporary organization. He expects to have the company ready for business in October.

Carrol Mutual Fire Insurance Company, Carrollton, Ga.

A mutual fire company bearing the above title is being incorporated by several prominent citizens of Carrollton.

Colorado Fire Insurance Company, Denver, Col.

The entire business of this company has been reinsured by the Southern of New Orleans.

Commonwealth Fire Insurance Company, Ottumwa, Ia.

This company has increased its paid-up capital from $25,000 to $100,000 and added $10,000 to its surplus.

Excelsior Fire Insurance Company, New York.

This company, which commenced business August 15, with a capital of $200,000 and a surplus of $100,000, fully paid in, will confine its business exclusively to two classes of property, under arrangements whereby the losses on one class will not be chargeable to the other. These classes are: "A," brick, stone and iron buildings of the preferred class, but not their contents; "B," properties fully equipped with automatic sprinklers, together with contents. The maximum line to be $30,000 on any single risk. Already the company has written a considerable volume of business, accepting risks at board rates, which policy, President Armstrong states, will be rigidly followed. The officers of the Excelsior Fire are: President, P. B. Armstrong; vice-president, John S. Jenkins; treasurer, Howard Maxwell; secretary, Hamilton Young. The chairman of the executive committee is William Gow, and the general counsel, Eugene Van Schaick. Directors: William Gow, Howard Maxwell, John S. Jenkins, Eugene Van Schaick, P. B. Armstrong, Artemus Ward, Jr., Edward H. Pinder, George D. Ball, Frank W. Doolittle, Stanley E. Gunnison, J. C. Hipkins, C. L. Armstrong, E. Howard Foster, Wilson B. Brice.

Merchants Mutual Fire Insurance Company, of Southern California, Los Angeles, Cal.

J. F. Paulding of Los Angeles has been named as temporary president of this company, which is being organized, with a guarantee capital of $50,000.

THE SPECTATOR:

THE SPECTATOR, *established in 1868, is a weekly journal devoted to promoting the best interests of trustworthy insurance of all kinds. The subscription price for the United States, Canada and Mexico is Four Dollars per annum, postage prepaid. To all foreign countries in the Postal Union, Five Dollars per annum.*

THE SPECTATOR *has a larger circulation than any other insurance journal—and carries no "deadhead" subscriptions.*

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THE sale last week of $40,000,000 New York city bonds, bearing 4½ per cent interest, was indicative of the financial condition of the country. Bids were received for more than five times the amount offered, the price obtained for the fifty-year issue being 102.063, and for the ten-year bonds 100.30, making the investment yield an average of about 4.40 per cent to the purchasers. Among the five or six hundred bidders were large and small banking houses, and bankers, executors of estates and individuals, and many from other States. In fact, there was a great rush for these bonds, for the rate of interest is attractive and the security beyond question. Several of the life insurance companies were among the successful bidders, and in the allotment will secure a liberal amount of these desirable securities. It was pointed out by conservative interests that the total amount represented by the bids fully demonstrated the existence of a large amount of money seeking investment, and the belief was expressed that as soon as confidence returned a little there would be a surprisingly large demand for both bonds and the standard dividend stocks. The low range of prices on the Stock Exchange during the summer compels the insurance companies to mark down temporarily the values of such securities as they hold, but such apparent loss is merely on paper, and as a matter of fact is no loss whatever, for their actual value is unimpaired, and as they were purchased when prices were low, the fluctuations in market quotations are really immaterial. If the companies were forced to sell their stocks and bonds at the present time they might experience a small loss from the shrinkage, but they are, fortunately, not obliged to sell, but can hold these securities for an indefinite period, not only receiving the interest on them regularly, but being in a position to take advantage of any rise that may come when the financial pendulum swings the other way and a "bull" market follows the "bear" period. There is no doubt that money has been scarce of late, which has had a depressing effect upon the securities market, but the bond sale of last week shows conclusively that there is plenty of money hoarded up for profitable investment, and will come eagerly forth when the attraction is sufficient. Prominent financiers, railroad magnates, and other "captains of industry" who keep their fingers upon the public pulse at all times, are all optimistic regarding the present conditions. The promise of abundant crops is corroborated by their observations as well as by the Government reports, and there is every reason to anticipate a continuance of prosperous times for an unlimited period. There is nothing in sight to warrant any other view of the situation. Insurance men should profit by these conditions, and get out and hustle for business. Everyone needs insurance—life, fire or casualty—and everyone has got money to pay for it. Agents and solicitors have only to push for it and they will get it. The outlook for successful campaigning in the insurance business was never more hopeful. The present year should be a record-maker along all lines.

WHILE uninformed writers and callow legislators and petty politicians are seeking to convince the public that the business of insurance is a mine of wealth, and that laws should be enacted to restrict their extorted accumulations, it is well to call attention to the facts in the case. The committee on statistics, in its report to the National Board of Fire Underwriters, made the following statement in their latest report:

> The San Francisco fire extinguished the entire profit made by the companies in forty-seven years, the balance sheet showing for that period a loss of $79,708,174. In other words, considering underwriting by itself, with no reference to income from investments, the business has been done at a loss amounting to 1.86 per cent of the premiums received since 1860. It should be understood that this statement is in no wise fictitious; it is based upon the official figures of the New York State Department, embracing the figures of companies doing business in this State. It will be startling to underwriters to be met with a statement that the profits of the business for nearly fifty years melted away in a single conflagration.

According to these figures, the men who have furnished the capital to establish the companies for the protection of the property of their fellow citizens, would have been better off by nearly eighty millions of dollars if they had kept out of the insurance business and invested their money in other ways. These figures apply only to companies that entered New York State for business, while there are as many others outside of the State whose losses were in the same ratio. At the same meeting of the National Board, President Burchell made the statement, in his annual address, that while there are about three hundred joint stock fire insurance companies in the country at present, over three times that number have been organized, failed or retired during the past fifty years. Taking the above two statements together, it looks very much as though the companies that retired from the business were the gainers, while those that remained had to "pay the freight." The fact that existing companies are still in the business of furnishing indemnity for their neighbors' losses, is due to the financial ability of their managers, who have been able to make investments that were profitable, and so make good the deficit in their underwriting operations. Yet legislators and political adventurers, seeking self-aggrandizement, are continually denouncing insurance, imposing increased taxation upon the companies, and putting upon them such restrictions as to threaten their very existence. It is time the companies took measures to let propertyowners understand the facts in the case, and show them how much of the cost of insurance is due to hostile legislation and to the mischievous fulminations of ignorant officials and loud-mouthed politicians.

THE programme laid out for the thirty-eighth annual session of the National Convention of Insurance Commissioners at Richmond, Va., this week is quite lengthy, and touches on topics of great interest to the business. Papers are to be read by several men of prominence in the insurance field, from which much valuable information will doubtless be gleaned by the Commissioners in attendance. More particular attention will be paid to the topic of surety reserves, which during the past few years has come in for much discussion and consideration at the hands of the several Departments. Two papers are to be read on this topic, and the report of the committee on reserves other than life also deals with the subject. Another important report is that from the committee on blanks. This year a number of changes have been made in the four blanks (fire, life, miscellaneous and fraternal) with the idea of presenting forms which will meet the requirements of the laws of all the States. In the preparation of these blanks much time and labor have been expended, and they are believed to be as nearly perfect as they can be made, when it is considered that they must conform to varying requirements of law. If the law departs from common-sense business principles, that is not the fault of the committee charged with drafting the blanks, and to that extent they are exempt from criticism regarding many of the items incorporated in the new forms. In their present shape, however, the blanks call for very involved statements, understandable only by experts and liable to mislead the average man anxious to find out from official sources the details of an insurance company's statement and its true standing. The annual reports issued by the Insurance Departments today lend themselves very freely to erroneous comparisons and statistics, so that an official bureau established to enlighten and protect the public fails in one of its most important duties. Private enterprise must be relied upon to state with clearness and impartiality the true standing of our thousands of insurance companies so that it is readily comprehended by the average seeker for information, and such information will be furnished through the columns of THE SPECTATOR and the various publications of The Spectator Company.

THE fraternal organizations are putting forth strenuous efforts to increase their membership. Like the giant of the story books, "fa, fee, fi, fo, fum," they must have new blood. The death rate has so increased among the old members that it is absolutely necessary to secure new and younger members to share the burden. Assessments have been swelled to such an extent as to be regarded as prohibitory by many, who have surrendered their membership rather than pay them and run the chance of further taxation. The fraternal cry goes forth for new members, and solicitors for some of the orders are offered special inducements; in some cases are paid salaries and in others are offered prizes and bonuses. The fraternal idea is lost sight of entirely by several of the orders, and they have become virtually assessment concerns, seeking business wherever it can be found, and holding out promises that can never be fulfilled. In the past few years there has been a large increase in the number of these orders, and the necessity they find for obtaining members has made competition very great. They offer so-called cheap insurance at low rates, but carefully conceal the fact that the promised indemnity is dependent upon the payment of assessments, the orders having neither capital, assets, surplus nor reserves to guarantee the fulfillment of the promises. The experience of the best of the fraternals has demonstrated that their plans are fallacious, for they have been compelled to advance their rates to such an extent that they are almost equal to those of the legal reserve life companies, and they have not increased their guarantees in any respect, but still depend upon the old, exploded assessment plan. The legal reserve companies offer liberal contracts at the lowest rates consistent with safety, and every contract is good for its face value at its maturity, for its payment is provided for by the accumulations in the hands of the companies. Besides, the most stringent laws have been enacted in every State that compel them to maintain reserves sufficient to meet their contract obligations. There is no passing of the hat to collect assessments when a claim is presented to them, but the cash is in hand with which to pay it promptly, as is their custom. This is insurance that insures, while assessmentism, in whatever form it appears, is a delusion and a snare. Life insurance in a legal reserve company is a positive provision for those dependent upon the insured, and the man who thus protects his family and provides for his children has no cause to worry as to their future.

* * * * *

Ralph Waldo Emerson and Harriet Martineau, so the story goes, attended the theater on one occasion to see Fanny Essler, the famous dancer, whose graceful poses had elicited the admiration of the crowned heads of Europe, as well as of the American public. After seeing the beautiful dancer in her pirouetting and poetical posing, Miss Martineau, in raptures, said to her companion: "Ralph, this is poetry." Emerson, equally entranced, replied: "Harriet, this is religion." Life insurance is both poetry and religion, for neither of which can there be a cheap, unsubstantial substitute.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

John Napier, secretary of the Bankers Life, will retire from that position within a short time.

The Metropolitan Life has filed application with the New York Department to issue three new policy contracts, the "Modified Endowment with Life Options," "Guaranteed Increasing Endowment" and "Reduced Premium After Twenty Years." The Provident Savings Life wishes to issue a "Combined Term and Renewal Life Policy"; the Washington Life, a reinsurance policy of the endowment form; Equitable Life, two forms of continuous instalment policies The committee of actuaries have filed two forms, "Endowment" and "Limited Payment Life."

The Fellowship of Solidarity, the pet creation of the brain of Miles Menander Dawson, having proven to be unsuccessful, is arranging to reinsure the little business it has secured. It had on the 1st of January admitted assets of $39,851.90, with liabilities of $35,705.85; while its insurance in force on that date was $691,000.

NOTES FROM PHILADELPHIA.

Resident Manager J. William Randall of the New Amsterdam Casualty Company has gone to San Francisco in the interest of the company and has been succeeded here by Irving E. Moore, who was

formerly connected with the Standard Life and Accident, under H. A. Reeves & Son, its representatives here.

Manager W. A. L. Laughton of the Employers Liability is spending his vacation in the White Mountains.

Notwithstanding reports that the liability companies either were or are preparing to make a radical advance in rates in this State because of the Casey bill passed recently by the legislature, it is said that little attention is being paid to the possible increased demands on the companies by reason of the bill, and brokers say that it is just as easy to place business at favorable terms now as it was before the new law went into effect.

Edward H. Gurk succeeds to the office of secretary of the Cosmopolitan Relief Association of Philadelphia, made vacant by the sudden death of his brother, C. Henry Gurk, in an automobile accident in Southern New Jersey on August 24.

THE MIDDLE STATES.

The Late Jacob L. Halsey.

At a meeting of the board of directors of the Manhattan Life last week the following preamble and resolutions regarding the death of Jacob L. Halsey were adopted:

This board has heard with deep regret of the death of our friend and associate, Jacob L. Halsey, which occurred on September 9 last. Mr. Halsey was the last of the original office force of this company; he was in the service of the company since its incorporation, a period of fifty-seven years, during which time he held the offices of cashier, assistant secretary, secretary and vice-president. On May 15, 1905, he resigned his office as vice-president owing to impaired health, but remained a director and in the service of the company as the secretary of the committee on "agencies and insurance," in which position he gave the committee the benefit of his wide experience and sound judgment.

Mr. Halsey was born in New York city on the 18th day of August, 1828, and at the time of his death was the oldest life insurance man, in point of years of service, in the country; his life insurance experience antedating the organization of this company.

Resolved, That this board desires to express on behalf of its members and the company their full appreciation of the arduous, long-continued and faithful service which he rendered to the policyholders and the company. His courtesy was unfailing and only equaled by the interest which he showed in his duties. He loyally supported every president under whom he served, and his loss is one that will be deeply regretted by all.

Resolved, That we sincerely condole with the family of the deceased, extending to the members thereof in their great sorrow our heartfelt sympathy.

Resolved, That this minute and the resolutions which are a part thereof be entered in full and become a part of this meeting, and that a copy of the same be engrossed and sent to the family of the deceased.

—The Meridian Life and Trust of Indianapolis is about to open Pennsylvania.

—Superintendent Potter of the Illinois Insurance Department has warned the Keystone Guards of Athens, Pa., to stop writing a certain form of policy which it is alleged violates the Illiois insur ce laws.

—The Appellate Division of the S reme Court, third department, has issued a decision that where an insurance npany is guilty of fraud on a policyholder at the inception of the contract, the policyholder, on discovering the fraud, can rescind the contract and recover all e premiums paid, with interest. The case is that of John Moore of Elmira, N. Y., against the Mutual Reserve Life.

THE NEW ENGLAND FIELD.

—Thomas F. Lawrence has been elected secretary of the Hartford Life to fill the vacancy caused by the death of Charles H. Bacall. Mr. Lawrence has for four years been assistant secretary of the company.

—The Italian Foresters of America has been chartered under the laws of Massachusetts. The concern will use the National Fraternal Congress rates with four per cent interest. Frank Ciamballi is president, and Charles Gallo, secretary.

—The officers and directors of the Puritan Life Insurance Company, the only Rhode Island life insurance company, were elected at a meeting of the stockholders held at the home office, 75 Westminster street, Providence, R. I., on September 12. J. D. E. Jones, who has been manager for the Equitable Life Assurance Society for Rhode Island since 1898, will have charge of the agency department of the new company. Over $100,000 has been subscribed for in the capital stock, and about $300,000 of insurance has practically been pledged. All the stock is held by Rhode Island citizens, and some of the most prominent business men of the State are among the directors. Following is a list of the officers and directors: Darius L. Goff, president; J. D. E. Jones, first vice-president; Rowland G. Hazard, second vice-president; Dr. James E. Sullivan, treasurer; Clinton C. White, secretary and assistant treasurer. Directors: Arnold Schaer, Ernest W. Tinkham, Charles Perry, Geo. B. Waterhouse, Herbert N. Fenner, Ralph C. Watrous, J. K. Sullivan, Rich. W. Comstock, Edward H. Rathbun, A. J. Pothier, Oscar Swanson, Lyman B. Goff, Dr. Edm. D. Chesebro, Edward P. Metcalf, Darius L. Goff, Rowland G. Hazard, Walter Callender, Dr. Jas. E. Sullivan, J. D. E. Jones, B. F. Arnold, John S. Murdock.

THE WEST.

—Henry H. Brown has resigned as medical director of the Security Life in Chicago.

—The Bankers Club is the title of an assessment life association being formed at Pierre, S. D.

—The Manhattan Life has terminated its contract with E. A. P. Hayden, who has been manager for about a year and a half.

—F. R. Korns, president of the Iowa Fraternal Congress, declares that his organization will name the next Auditor of State or Insurance Commissioner of Iowa.

—Clarence M. Smith, general agent for the Northwestern Mutual Life for California, has taken into partnership J. B. Thomas and E. J. Thomas. The firm is Smith, Thomas & Thomas.

—The Illinois Insurance Department is now scrutinizing the contracts of all life companies operating in the State, to see if they conform to the new laws which will go into effect on January 1, 1908.

—The Superintendent of Insurance of Illinois has served notice on the National Protective Legion of Waverly, N. Y., and the Reformed American Mutual Union of Chicago that they must stop certain practices alleged to be in violation of the Illinois law.

—On another page in this issue appears the card of H. W. Buttolph of Indianapolis, consulting actuary. Mr. Buttolph is well and favorably known in his section, having been for four years past actuary of the Indiana Department. Now that he has launched out for himself he will doubtless soon acquire a substantial clientele.

—The Central Life of Des Moines has issued a new policy called the "guaranteed double annual allotment," which increases each year in amount of insurance and decreases each year in actual cost. It is non-forfeitable, grants loans, cash surrender values, paid-up and extended insurance, and furnishes the policyholder an income with all premiums canceled in event of permanent total disability resulting from either sickness or accident.

—The Cleveland Life Insurance Company has been licensed and has taken offices in the Rockefeller building. The company has a capital stock of $125,000 invested in Cleveland city bonds, $100,000 of which are on deposit with the Insurance Commissioner. P. W. Ward is president; W. S. Shelton, secretary; E. W. Doty, treasurer, and Dr. H. S. Brainerd, medical director. Among the directors are W. S. McKinnon, State Treasurer; F. F. Prentiss, M. P. Mooney, L. Q. Rawson, Paul Howland and Carl Nau.

—Henry H. Brown, M. D., who, almost from its beginning, has been the medical director of the Security Life of America, of Chicago, has resigned to associate himself with Irvin Zimmerman in the organization of the International Fire Insurance Company, which company will be capitalized at a very large figure. Dr. Brown has already left Chicago for New York and Philadelphia, where he will be actively interested in the work. His large and valuable acquaintance and his general knowledge of insurance methods will enable him to complete rapidly the organization. The success of the Security Life has been very largely due to the exceedingly favorable mortality. The actual saving in mortality in dollars in 1906 was over $63,000, so that in parting from the company he leaves a most admirable record.

THE SOUTH.

—The Florida Life has under consideration a proposition to increase its capital stock from $1,000,000 to $2,000,000.

—The Insurance Commissioner of Texas has started an investigation into the sale of special or board contracts and agency stock schemes.

—Alfred Boyd, Jr., an experienced life insurance man formerly with the Equitable, has been appointed general agent for the Manhattan Life in Tennessee.

—Johnson & Adams of Atlanta are to represent the Pacific Mutual in Northern Georgia. A. J. Johnson has won a reputation as a strong personal writer, and Mr. Adams is also well equipped for the life insurance business.

—George B. Underwood of Houston, Tex., a well-known insurance man of the Southwest, died suddenly on Friday, September 6. He was one of the strongest and most aggressive campaigners in the business, and his knowledge of its technical side was exceptional.

—The Protective Life of Birmingham, Ala., has issued a prospectus in which it is stated that all standard forms of policies will be offered at standard rates, and the company will bring out a form of its own known as the guaranteed mortuary dividend policy. Some stock will be sold in connection with insurance. Offices have been secured in the Brown-Marx building. The officers are: W. D. Jelks, ex-Governor of Alabama, president; R. W. Massey, vice-president; W. W. Crawford, treasurer; John M. Corr, formerly manager of the Mutual Reserve in Alabama, director of agents; C. J. Palmer, late with the Massachusetts Mutual and Prudential, secretary; W. G. Haralson, medical director, and Samuel Barnett, actuary.

MISCELLANEOUS LIFE NEWS.

NATIONAL CONVENTION OF INSURANCE COMMISSIONERS

Thirty-Eighth Annual Session at Richmond, Va.

[SPECIAL REPORT FOR THE SPECTATOR.]

Richmond, Va., Sept. 17.—The large attendance which has characterized recent annual sessions of the National Convention of Insurance Commissioners was again in evidence at the opening session of the thirty-eighth annual gathering, at the Hotel Jefferson, this morning. When President Geo. H. Adams called the meeting to order he was confronted by representatives of twenty-three States, while others are expected later. Besides the official delegates, there were numerous company officials on hand, in addition to several ladies. General Adams first briefly introduced Hon. Claude A. Swanson, Governor of Virginia, who extended a thoroughly cordial welcome to the convention. His speech was most eloquent, covering many interesting facts in connection with the history of Virginia and the relation of that Commonwealth to the rest of the country. He advised the Commissioners not to be afraid to expose anything wrong in the conduct of insurance companies, and also touched lightly, in opposition, on the subject of National Supervision. His address was received with warm applause, the references to the ladies being specially appreciated. A suitable response was made by Reau E. Folk, vice-president of the association, who declared that he had made good his promises at Washington when the invitation to Richmond was accepted.

The honor has devolved upon me as vice-president of this association, in behalf of its membership, to say a few words in response to the warm and cordial welcome to Richmond and to Virginia which has been so eloquently voiced. I am disposed at the outset to succumb to the temptation to say "I told you so."

At our convention in Washington a year ago, when, by unanimous vote, it was decided that the next convention should be held at Richmond there may be those of you who will remember that in some remarks I was called upon to make after you had honored me with the vice-presidency of the association, I referred to the fact that for the ensuing year we would invade history for a watchword and revive for the timebeing the one time war cry: "On to Richmond."

* * * * *

I want to say to the distinguished Governor who has welcomed us that we appreciate his words of wisdom and counsel and his kindly expressions. There are those neither so discerning nor so generous as he who have visited upon the Commissioners words of detraction, not only of them as officials, but of the system of State supervision, and who would transfer to one authority at the seat of the general government all insurance regulation and control.

It is not my purpose to enter into a discussion of this subject at this time, but I cannot pass from it without saying that individually I am not able to agree with all the conclusions so assertively announced.

There are some things in the recommendations made by the doctrinaires in question which I am sure all of us can very readily indorse, as, for example, the proposition that the Federal Government employ its powers over the mails to deny their use to any insurance concern whose operations are not legal in the State of its domicile. This is an indorsement of the position taken by this association of Commissioners some years ago. Through a committee we took up the matter with Congress and with the Postmaster-General. The result of our activities has been a warfare against the wildcats by the Postoffice Department which has to a large extent eliminated the most flagrant frauds. Under the fraud laws the postal authorities have the right to withhold the privilege of the mails to any fraud. I should like to see a definite ruling by the Postoffice Department or a statute by Congress creating for the purpose of determining the right to use the mails a presumption of fraud against any concern, whether insurance or otherwise, whose operations are not legal in the State of its domicile. It is hard to conceive of any circumstances under which such a concern would not be an unworthy one and a fraud.

But it is a very different matter from the proposition to supplant State insurance supervision with national supervision. State supervision may have its faults; what system has not?

But with all its faults it has been, as a whole, distinctly successful. Its faults are being eliminated, and I believe each year finds it upon a higher plane of efficiency. This convention has been a potent factor in its development. It has been the wise policy of the States of this Republic to transfer to the general Government only such powers as were impractical for the States themselves to exercise. Among the reserved rights of the State is that of control of corporations coming within them to seek business with their citizens on lines apart from inter-State commerce. For the States to transfer their power of regulation of insurance corporations to the general Government would be a long step toward centralization which many students of the public welfare would regard with the gravest apprehension. Let it be understood, I am not expressing my personal views. I believe the public has more of a guarantee of protection when forty or more supervisory eyes are upon an insurance corporation than when only one supervisory eye is upon it. I believe the public has more of a feeling of security from imposition when the citizen of each State has an official convenient of access before whom he can lay his complaints if he feels that he has been mistreated than if the supervisory official could only be found under the shadow of the nation's capitol.

I do not anticipate that the States are going to be in haste at this juncture to make additional concessions from their reserved rights. In fact, it is a subject which has been fitly described as a "loaded" one, and down in Tennessee one alias for a loaded subject is "the business end of a Tennessee mule." * * *

Let me repeat, it is with peculiar emotions of reverence and pleasure that we come to Virginia and grasp the hand of hospitality and welcome which we knew beforetime would be extended to us—for such is the reputation of Virginia.

The next order of business was the address of the president, extracts from which are given.

Secretary Brinkerhoff then called the roll, and the following is the list of those present: Colorado—E. E. Rittenhouse, Commissioner; A. G. Hann, Actuary. Connecticut—T. H. MacDonald, Commissioner; W. H. Woodward, Actuary. Delaware—George W. Marshall, Commissioner; A. Donald Marshall, Clerk. District of Columbia—Thos. E. Drake, Superintendent; Dan. Curry, Examiner. Illinois, F. W. Potter, Superintendent; J. J. Brinkerhoff, Actuary. Indiana—J. C. Billheimer, Auditor. Kentucky—Hy. R. Prewitt, Commissioner. Maryland—Benj. F. Crouse, Commissioner; Jas. E. Green, Deputy. Massachusetts—H. Hardison, Deputy; C. W. Fletcher, Examiner. Michigan—J. V. Barry, Commissioner; M. O. Rollins, Deputy. Minnesota—John A. Hartigan, Commissioner. Missisippi—W. Q. Cole, Commissioner. Nebraska—E. M. Searle, Jr., Auditor. New Hampshire, George H. Adams, Commissioner. New Jersey—D. O. Watkins, Commissioner. New York—H. D. Appleton, second Deputy Superintendent; Nelson B. Hadley, Examiner. North Carolina—James R. Young, Commissioner; A. H. Mowbray, Actuary. Ohio—A. I. Vorys, Superintendent; S. E. Stillwell, Actuary. Pennsylvania—S. H. McCulloch, Deputy; R. E. Forster, Actuary; W. J. Roney, Examiner. Rhode Island—Chas. C. Gray, Commissioner. Tennessee—Reau E. Folk, Commissioner; G. V. Lipscomb, Statistician. Virginia—Jos. Button, Commissioner; J. N. Brenaman, Deputy; C. G. Taylor, Jr., Actuary. West Virginia—Arnold C. Scherr, Auditor. Wisconsin—Geo. E. Bedle, Commissioner; L. A. Anderson, Actuary.

After the reading of the roll-call announcement was made that owing to the illness of the wife of S. W. Carr of Maine, that State could not be represented. The reading of the minutes of the last session were then dispensed with and an adjournment was taken until the afternoon.

AFTERNOON SESSION.

The president called the session to order in the afternoon at 3 P. M., and after announcing the appointees to vacancies on the standing committees, called for the report of the committee on credentials. On motion, the roll-call as made at the morning session was accepted as the official roster of the convention. At this point H. R. Prewitt of Kentucky introduced the following resolution, with a request that it be referred to the committee on laws and legislation for consideration and report on Wednesday:

Whereas, The question of equitable and just taxation of insurance companies and their transactions is becoming one of great importance among all the States and threatens to a considerable extent the comity that should prevail between them; and

Whereas, Any taxation placed upon the operations of insurance above the amount to provide for necessary public supervision and a fair tax for the franchises under protection seems onerous to a particular class and in the nature of double or penalizing taxation; and

Whereas, All taxation of necessity must be borne by the consumers, residents of the several States, and beyond what is just and fair for privileges and protection conferred, operates as a penalty against those who voluntarily burden themselves with a protective tax that forwards the general welfare, rewarding those who evade or neglect the voluntary duty that the citizen owes to the State. Therefore, be it

Resolved, That the president of this association is authorized to appoint a committee of seven members to take the subject of fair taxation of insurance companies under consideration. And that such committee be hereby directed to ascertain and compile the amount of insurance taxation in each and all the States as represented by taxes on franchises, premiums, licenses, fees and ocupation tax by States, county and municipality. And that it makes proper comparison between the taxes on insurance and the taxation laid upon other businesses and recommend to this convention a fair and uniform system of taxation embodied in a model act to be recommended to all the States for enactment into uniform law.

The first formal address of the meeting was then reached in the presentation of Darwin P. Kingsley, president of the New York Life Insurance Company, whose subject was "The Future of Life Insurance."

B. F. Crouse, Insurance Commissioner of Maryland, was down for an address on "Life Insurance Legislation Adopted in Various States Within the Past Two Years." He explained that owing to the magnitude of the task, he had not been able to complete it, but promised to do so later. Permission was granted him to file the paper with the secretary for incorporation in the proceedings of the session. There being no further reports of committees ready, an adjournment was taken until 10 A. M. Wednesday.

Arrangements have been made by the resident life agents of Richmond for a buffet lunch and drive round the city on Thursday, while on

Friday the local companies offer a trip down the James river to the Jamestown Exposition, reaching there about 6 P. M.

Among the visitors in attendance at the opening session were: Darwin P. Kingsley, Edson S. Lott, Louis A. Fibel, Wm. F. Moore,W. H. Pierson. F. Hutchinson, J. M. Craig, S. H. Wolfe and Lee Wolfe of New York; L. G. Fouse and Franklin J. Moore of Philadelphia; Wm. Bro. Smith of Hartford, Conn.; H. G. B. Alexander of Chicago; F. H. Betts of Connecticut; F. L. Hoffman of Newark, N. J.; F. H. Nash of Boston; C. P. Ellerbe of Missouri; A. W. Dark of Indianapolis and Wm. Montgomery of Washington.

The insurance journals were represented by the following: C. A. Jenney, Weekly Underwriter; C. E. Belcher, Standard; A. G. Hall, Surveyor; J. C. Bergstrasser, Insurance World; Max Cohen, Views; H. C. Somers, Insurance Record; Jas. H. McClellan, Baltimore Underwriter; Wm. S. Barnaby, The Spectator.

THE PRESIDENT'S ADDRESS.

It is hardly necessary to note in passing that the modern earthquake, which we are about to consider, has fully sustained the reputation of its antecedents in all other respects and far surpassed them in the one last mentioned, which reminds us that we are living in a progressive age, the blessings and curses of which rival each other in their perfection and completeness.

A striking example of the earthquake's capacity for evil is afforded by the terrible calamity which visited San Francisco in April of last year, in which hundreds of human lives were lost, thousands of men, women and children injured and maimed, and 25,000 buildings, covering an area of 3000 acres in the central part of the city, destroyed, involving a total property loss of $350,000,000, to say nothing of the remoter damages to business, commerce and labor—a loss sufficient to completely crush a municipality possessing the marvelous energy, courage and recuperative power of the Golden Gate City, if compelled to bear it alone.

While San Francisco alone received the blow, the entire nation felt its shock and responded nobly with generous contributions for the temporary relief of the homeless and destitute, and, lastly, the fire insurauce companies of this and other countries were "touched" to the extent of $185,000,000.* * *

To meet this staggering blow which swept away the entire underwriting profits of nearly half a century, and cost them almost $80,000,000 besides, many of the great companies of our own country were compelled to seek financial aid from their stockholders, while those of foreign countries operating here had to draw upon their home offices for enormous sums. Nevertheless, adjustments were made with remarkable promptness, and, in the main, with fairness and liberality. While some may be weaker financially than before, they are far stronger in that priceless asset, the merited confidence of the people.

That so few (less than twenty) were compelled to retire from business is most surprising, and affords conclusive evidence that with respect to the conflagration hazard, at least, an ample surplus fund is as essential to the longevity of a fire insurance company as is the maintenance of an unearned premium reserve, since without the former its life would be constantly menaced by any single fire of unusual magnitude. * * *

The San Francisco earthquake and its fiery sequel have given new importance to that most intensely practical subject, the improved construction of buildings, and it is gratifying to note that the Federal Government, through its War and Interior Departments, has taken this matter vigorously in hand for the purpose of furnishing such specific information and recommendations based upon experience and the results of investigation by experts as shall lead to wise and effective legislation having for its object the reduction of the appalling annual waste of property by fire throughout the country.

That part of their report which relates to fireproof buildings is almost severe in its brevity, and seems to have been borrowed from the famous historical chapter entitled "The Snakes of Ireland." After stating that there are none, it goes on to say that the reason for their non-existence is not because it is impossible to construct buildings which will resist fire, but because of the owners' desire to cheapen, so far as they dare to do so, the fireproofing and construction generally in order to secure a greater return on their investment.

It points out the fact that the San Francisco calamity has demonstrated that the lessons from the Chicago and Baltimore fires are still unlearned; that the same faults in construction have continued and can only be stopped by the enactment and enforcement of strict building laws compelling an observance of the things essential to fireproof construction. * * *

Having considered the physical earthquake and its direful results, our attention naturally turns to the metaphysical disturbance which recently came in contact with certain great life companies, and by its violent agitation, noise, eruptions of air (frequently of high temperature), bad odor and disastrous consequences, fully established its right and title to membership in the earthquake family.

Indignant at finding its confidence betrayed by those to whom it had been given freely and without reserve, the public naturally turned to legislation as the only available means of righting its wrongs and correcting the evils and abuses which had been brought to light. The appeal met with quick response in the enactment of numerous statutes intended to accomplish the desired results.

While in the main the laws thus enacted have been useful and beneficial, it cannot be denied that some have proved so drastic and ill-advised as seriously to hamper and embarrass the honest efforts of companies to conduct their business in ways perfectly legitimate and by methods entirely proper. It is sincerely to be hoped that such unwise and harmful legislation will not long remain upon the statute books to impair the usefulness of a most worthy and benevolent institution.

That the many arduous difficulties and discouragements encountered by companies and agents in passing through this transformative period in the history of life insurance have been so bravely met and overcome is deserving of generous acknowledgement and high praise and amply warrants the prediction that the reforms and economies already inaugurated will soon result in the full and complete restoration of public confidence, the present lack of which constitutes the only remaining cloud upon a future otherwise hopeful and serene.

To the existing distrust and discontent in the popular mind concerning life insurance may be traced the origin of the law recently enacted in Massachusetts authorizing savings banks in that commonwealth to engage to a limited extent in the business of life insurance. Several banks having already signified their willingness to do so, the experiment of selling industrial insurance over the counters of savings banks is to have a trial, the result of which is awaited with interest. By thus dispensing with solicitors and agents, whose compensation forms perhaps the largest single item of expense as the business has heretofore been conducted, it is confidently predicted by the friends and promoters of the bill that it will greatly reduce the cost of insurance. This is manifestly true, provided that the banks are able to find a sufficient number of purchasers for their policies, for it should not be forgotten that at least two parties are necessary to every contract however useful and beneficent its purpose may be, and that the average purchaser of industrial insurauce knows little and cares less about it until its merits have been fairly forced upon his attention by the ever persistent and untiring solicitor.

Should the Massachusetts experiment meet with the success which its friends anticipate, a revolution in the methods now obtaining in respect to industrial insurance would be the logical and natural result. * * *

The growth of the surety business in recent years has been so rapid and phenomenal that further legislation now seems necessary for the protection of companies and patrons alike.

As a result of the active competition now existing for new business, many companies are daily assuming single-risk liabilities far exceeding in amount the limits prescribed by prudence and sound discretion at rates which appear to be absurdly inadequate and insufficient. Such recklessness and folly, if unrestrained, can lead to but one result. The obvious remedy for this unhealthy condition lies in a statutory limitation of the liability which a company may assume upon a single risk, similar in nature to that now imposed by Federal law upon national banks.

In this connection, the present method of computing the reserves of surety companies should be carefully considered with a view to its revision on lines calculated to raise their standard of solvency to its proper level, and thus correct the inequalities resulting from inadequate rates.

But we should not forget that human laws, however just and salutary, can never be automatic in their action, and that insurance companies as well as other corporations have been known to treat them with a contempt equal at least to that of the comet for the famous papal bull which is said to have been issued against it centuries ago. * * *

GOVERNMENT REGULATION OF INSURANCE IN GERMANY.

A lengthy paper on the above topic was read by Frederick L. Hoffman.

The adequate and effective supervision and regulation by government of insurance corporations is one of the most important and complex problems in political science. The magnitude of the business and its intimate relation to public welfare precludes the idea of a let-alone policy of government on the one hand or of a too restrictive policy of legislative interference and control on the other. The latter is practically certain in the long run to do a vast amount of permanent harm. The conflict of opinion lies between these two extremes, and as an admirable compromise the insurance legislation of Switzerland, Austria and Germany is deserving of serious and critical consideration.

The German insurance code applies to the whole of Germany, but not to the German possessions in foreign countries. The law applies specifically only to private insurance undertakings which do business in more than one German State, or in a German State and a foreign country. The separate States, however, may arrange with the Imperial Supervising Department, established by the code for the supervision of local undertakings, and some of the smaller States have already done so, while others are expected to follow. State insurance undertakings in any form are not subject to the code, but remain subject to local laws and regulations. The compulsory system of government insurance is also outside of the operations of the code, being governed separately by the Imperial Insurance Department, which must not be confused with the Imperial Supervising Department of Private Insurance Undertakings.

The code is arranged in nine general sections and 125 paragraphs. Important supplementary regulations were issued by the Federal Council and approved by the Emperor under date of December 23, 1901, which in thirty-six sections govern the appointments and administration of the Imperial Supervising Department established by the code. The first section is general and defines the scope and purpose of the law. The Imperial Supervising Department has complete control over everything directly or indirectly appertaining to the methods, management or experience of the companies and associations subject to its jurisdiction. The supreme power of the Department rests primarily upon the exclusive right to grant authority for the transaction and continuance of business. The rights and duties of the companies or undertakings are, however, clearly defined by the code, and, except for specific reasons, the Department must issue the permission or what for want of a better term may be spoken of as a license to carry on the business of insurance. * * *

On account of the more complex nature of the life insurance business, the code provides in more detail for the safeguarding of policyholders' rights, privileges and interests. The business plan of a life insurance company or association is defined to include the premium rates and the principles of their calculation, the rate of interest and the loading of the net premium. No specific table of mortality is required, nor is a specific minimum or maximum rate of interest. The use of the preliminary term method is permissible for the first year to the extent of $12.50 per $1000 of insurance. The mortality table used in the calculations is required to

be stated, and the same is true of tables bearing upon the probability of accident, liability and sickness. Every division of the life insurance business, such as endowment, limited payment life, annuities, etc., must be explained in detail as to the formula used in the calculation of premium rates and dividend apportionments, illustrated by examples in figures. If policies are issued at a higher premium the business plan must show why and on what principle a special premium is to be charged. * * *

The expenses of the Department are provided for by the general budget. However, upon the theory that it is equally to the interest of the companies and their policyholders, as well as to the public generally, that the business should be effectively supervised and regulated by the Government, an annual pro rata levy is made by the Department upon the companies subject to its jurisdiction, for one-half the sum required for its maintenance during the current year. The contributions or fees are calculated upon the previous year's gross premium income, deducting therefrom premiums paid in advance and amounts returned to shareholders or policyholders as profits or dividends. The expenses which may be assessed upon a company, however, are limited to a maximum of one-tenth of one per cent of the gross premium income as previously defined. There are no other fees or charges of any kind, except that in cases where needless expenses have been incurred by the Department in behalf of special efforts to secure evidence or proof in the settlement of disputes or appeals, the charges may be assessed upon the complainant. * * *

The Supervising Department is required annually to publish a report of its administration, supplemented by a preliminary statement of the more important facts of the business experience of large insurance undertakings. The report for 1906 is dated May 31, 1907, and was published during the early part of August. It makes a compact volume of about 250 pages, full of interesting and valuable information. In its reports and publications the Department limits itself to a statement of essential facts sufficient for public purposes. It refrains from giving publicity to information which, in all probability, would be used for improper competitive purposes to the detriment of the business and the public. While it requires complete information of all undertakings subject to its jurisdiction, it gives publicity to only a portion of the facts collected. In the opinion of qualified experts, the distinction between information useful to the public and information strictly for the confidential and discretionary use of the Department has been admirably well drawn, and for this solution of a difficult question it is understood the advisory council of the Department is chiefly responsible. * * *

The Department made 49 local examinations of insurance companies, or 18 more than during the preceding year. Of this number, 40 were carried on in the offices of the companies, 4 at general agencies of inland undertakings, and 5 at general agencies of foreign companies. Of the 49 examinations, 18 were of life insurance companies. Thirty-four of the examinations were considered a general business revision, while 15 were partial or limited to the determining of special facts. While there were 49 examinations, these affected only 47 undertakings, of which 15 were stock companies and 31 were mutual companies or associations. One apparently did not come within either of these two classes or corporations. The examinations took up 276 days, and, including the subsequent departmental consideration, consumed a large amount of the time of the Department during the year. As far as it is possible to judge, the examinations proceed upon somewhat different principles than those in vogue in this country, and do not enter into matters of detail to the extent as is the case over here. This, of course, in part is due to the fact that the Department is already in possession of a mass of information and data regarding the methods and experience of the companies subject to its jurisdiction. The entire expense of the examination is paid by the Department. * * *

It has been my aim to consider at least the more essential provisions of the German law regulating insurance undertakings, but the subject is so large and involved that it precludes adequate presentation in a public address. There is one important matter, however, which I must not omit, and that is the question of taxation, which in Germany is left as formerly to the States or local administrative powers. Except for the difficulties arising out of a needlessly complex system of stamp taxes, of which as many as three may be imposed upon one transaction, the tax problem is not a very serious one. As I have already had occasion to point out, the cost of Imperial supervision is less than 30 cents per $1000 of gross premium income. The total taxes paid by large insurance undertakings during 1905 amounted to 2,260,000 marks ($537,880) out of a gross premium income of 787,000,000 marks ($187,306,000). In other words, the rate of taxation was $2.87 per $1000 of premium income. Considering life insurance companies separately, the rate was $2.33; accident and liability companies, $3.69, and of fire insurance companies, $3.77. In contrast, I may point out that during 1906 American life insurance companies lone paid nearly $11,000,000 in taxes, fees, etc., equivalent to 2.1 per cent of the premium income. Had the rate of life insurance taxation in this country been the same as in Germany, over $8,000,000 would have been saved to policyholders of American life insurance undertakings.

Government regulation of insurance in Germany is simple and effective. The complete supervision of the companies is obtained at a minimum of interference and expense. The code is in marked contrast to our own conflicting, costly and constantly changing system. In time, no doubt, we shall realize the futility of over legislation and State interference carried to the extreme. Some day we shall return to our earlier political ideal that "the government which governs least is the government which governs best." Efforts making for uniformity in insurance legislation will be to small purpose until existing statutory requirements are radically revised and reduced to a more simple, but at the same time more effective, system. The essence of all law, it has very properly been said, is necessity, and only when law making is limited to absolutely essential needs is there a reasonable certainty that the legislation will prove effective and permanent. * * *

During the last ten years American legal reserve life insurance companies have made a direct return to the different States of some eighty million dollars in taxes, licenses, fees, etc. For every dollar paid in taxes, etc., by American policyholders German policyholders have paid fourteen cents. The constant changes in statutory regulations and the ever-increasing burdens of taxation are a serious menace to the business, but fully as much are the frequent changes in supervising officials. There is an imperative necessity for permanency in insurance law and permanency in the tenure of office of the Insurance Commissioner or Superintendent charged with the execution of the law. In these and other matters it would seem that we may learn much from a critical and impartial study of foreign insurance legislation, and I trust that my own efforts in this direction may prove of some value in the difficult duty which lies before you.

THE FUTURE OF AMERICAN LIFE INSURANCE.

The above is the title of a valuable address by Darwin P. Kingsley, president of the New York Life Insurance Company.

A man who assumed the role of prophet with respect to American life insurance sixty years ago would have had to deal with entirely different conditions from those which confront us. Most of the problems which he would have had to take into account have been worked out to a conclusion. Even the superstition which made men hesitate because life insurance dealt with that mysterious thing called death has been largely eliminated. In forecasting the future of life insurance what was then a matter of experiment is now a matter of fact. Tables of mortality have been established beyond peradventure. Our assumptions of interest earnings are sufficient, and in the light of present developments probably more than sufficient. Through the vigorous and aggressive work of American companies opposition has been beaten down, and of the original factors in prophecy, management—its efficiency and integrity—alone remains.

But new problems have arisen, and, if we prophesy, we must take into account factors which the earlier prophet knew nothing about. The appeals of the earlier missionaries of life insurance and their successors have been magnificently answered. At the end of less than seventy years' active work in this country, the number of policies in force is greater than one-fourth of the entire population, and if the accumulated assets of the companies were turned into cash and locked up there would not be a dollar with which to do business. These years of growth have been rich in experience. So rapid has been its expansion, so powerful has become its function in society that life insurance is now more completely regulated by the State than any other business. This relation to the State grew up as the business expanded, and now substantially every country of the world and every State of the United States has a special department of government created to supervise insurance. This has gone so far that the State now fixes the conditions of organization of life companies, the status and compensation of their agents, the form of policy they may issue, the securities they may purchase, the reports they must make, the standard of solvency they must maintain, the maximum surplus they may hold, the amount of new business they may do, and the maximum limit of expense. Life insurance has become a great public question. * * *

What are the forces which will hamper the development of American life insurance?

Assuming competent and honest management, the greatest menace to the future of American life insurance lies in an increasing tendency on the part of the various States of the Union to treat life insurance as a local question and to legislate from the local viewpoint. * * *

How much surplus should a life company be allowed to accumulate as a contingency fund? The State of New York has recently decreed that the percentage of surplus thus held shall decrease according to a fixed scale as the policy reserve increases. Under the scale established a company with reserve liability of $100,000 or less may hold a surplus of $10,000 or 20 per cent of its policy reserve, whichever is the larger. A company with reserve liability of $1,000,000 may hold only 15 per cent surplus; a company with a reserve liability of $15,000,000 may hold only 10 per cent surplus, and a company with $75,000,000 or more of reserve liability may hold only 5 per cent surplus.

The first phase of the law that invites comment is the underlying assumption that the small company is liable to loss of money by the shrinkage of assets and in other ways in larger proportion than the large company. During the investigation which preceded this legislation criticism centered on the large companies, but here is an assumption in their favor which was quite unlooked for. Even if we admit that a larger margin of safety should be allowed to a newly organized company until it is well established and has assets of considerable variety, what possible reason is there for allowing a $15,000,000 company a percentage of surplus twice as large as that allowed a $75,000,000 company? If the liability of loss decreases with the size of the company, why not continue the reduction to zero? Both companies might have, indeed probably would have, their money invested in identical securities, which under any given condition would fluctuate to exactly the same extent. Of course, the principle represented in this law is unsound, and its present application is a serious menace. * * *

The law not only fixes a standard of liabilities, but it also makes its own valuation of assets, and from its decision there is no appeal. The value of securities dealt in on the public exchanges may be readily ascertained; the value of others is a matter of opinion, and the opinions of the Insurance Departments are not always the same with respect to these values. During the past two years we have had some striking examples of fluctuations in the value of securities. British consols, bonds of the city of New York, first-class railroad bonds, have all declined, some of them more than 10 per cent. In its last year's report the Insurance Department of the State of New York shows a reduction in the valuation of one company's real estate alone of over 2 per cent on its entire policy reserve. If it had been possible in April, 1906, immediately to establish surplus in the great mutual companies on the basis of the then enacted laws, many trustees, through the shrinkage in market values which has occurred within two years, would now be faced with the question of passing dividends altogether, and technical insolvency would be in sight. With fluctuations in the value of the best securities, not theoretically possible, but actual, present, and covering a wider range than the margins allowed by law, how is management to do justice to

policyholders? How can trustees avoid paying too much one year and too little the next? How, indeed, can they escape the most serious consequences?

The present danger springs from high rates of interest, low prices for securities and the dangerously small margins allowed by New York. At the other extreme there is a danger almost equally great. When securities are high and interest is low the State might be compelled in the public interest to change the reserve standard to 3 per cent, and this again would require more money than the law permits the companies to hold as surplus. * * *

Again, what should be your attitude in the matter of taxation? There is almost a rivalry between the States as to which will impose the heaviest burden on premiums. * * *

While I would not to-day argue, with any hope, for entire exemption from taxation, let us briefly review some reasons why the premiums of life insurance ought to be exempt. Life insurance on the mutual plan is not a money-making business; it is the collection and disbursement of money to prevent poverty. All money received is either at once paid out in benefits and expenses or is invested and pay taxes where it is invested. Life insurance premiums are a self-imposed tax which prevent burdens upon the State, and a tax upon a tax is barbarous. The taxation of life insurance premiums is a tax upon property not in possession and from which no present income is derived. It is a tax upon a trust fund held for the fulfilment of contracts with widows and orphans, which when so payable is by law exempt from attachment for debt. The most enlightened nations of Europe have fostered the system because of its benefits to the State, and some of them exempt from the income tax within certain limitations the money which a man devotes to life insurance. These arguments are all founded in justice, they are economically sound, but they seem practically useless. The modern legislator says in effect: "You have money to spend for life insurance, then you are able to pay taxes. Give the State a part and buy less insurance." * * *

At the present time, with the exception of Nevada, the States take from 1 to 3 per cent of the premiums paid, in some cases deducting dividends, death losses, etc., and in others collecting it on the gross amount. Then there are the license and other fees exacted by the State; there are taxes on personal property; there are the fees for the agents' licenses, and in some States, especially in the South, certain municipalities step in and in addition to what the State exacts charge both the company and the agent for the privilege of doing business; then certain cities demand a percentage of the premiums paid in their jurisdiction, and finally, in one or two States the counties make a similar demand.

The effect of this, of course, is that the State violates the principle of mutuality. Each State insists that dividends shall be uniform, that the man insured at age 25 on the ordinary life plan shall receive the dividend paid in every other State on identical contracts, notwithstanding the fact that one State may have been collecting 2½ per cent each year of all the premiums paid, while another State may have collected only 1 per cent. Of course, the State in no case intends an injustice. It is simply the temptation of "money in sight." But in these days, when trustees are being held to a finer sense of trusteeship, when the demand is made that life insurance moneys shall be more safely held and more carefully accounted for, what worthier object can engage your attention than a movement amongst the Insurance Commissioners of the country, first to protest against the injustice of any taxation on premiums, and then, if that seems impracticable, to insist that the burden shall be fairly distributed?

It has been alleged that life insurance managements have sometimes violated the principles of mutuality. If that be true, it was a grievous offense, but how much more grievous is the offense when the principle is violated by the State? * * *

Another tendency which will probably not run far is to limit by law the amount of business which a company may do. I have observed little disposition in other States to follow the bad example of New York in this respect. Of course, the legislation is economically unsound. To limit the amount of business which a company may do, after having limited the cost of the business, is directly contrary to the principle that is everywhere else now so strenuously maintained, namely, that competition is the proper regulating force in business. The National Government especially is moving heaven and earth to prevent the stifling of competition, but New York State at least maintains that beyond a certain point a life company shall not compete for business on any terms. That company may be furnishing insurance at the lowest cost, but after furnishing a certain amount in any one year it must stand aside and let others compete for whatever remains, whatever the cost may chance to be. The State virtually says to the insurer: "You may have insurance not where you will, but where others will not." * * *

I have considered briefly some dangerous types of legislation which you in your high places will have to combat. I have briefly referred to existing conditions and the struggle through which all kinds of business of importance are now passing. I have not asked you to forward any particular type of legislation. Indeed, life insurance has seldom asked for legislation of any kind. But there is a condition existing to-day to which you can with great profit to the general public and to good life insurance devote some consideration. The close of 1906 showed outstanding on the books of the regular level premium American life insurance companies nearly a billion dollars less insurance in force than would have been in force if the rate of development and progress shown by the companies at the close of 1904 had been maintained during the succeeding two years. In making up the gain and loss of the last two years this tremendous item must have attention. It consists of positive and negative waste; positive waste in the hundreds of millions of business lost, negative waste in other hundreds of millions not created. * * *

There are dangers ahead, grave dangers: in the local as against the national view; in taxation; in further and in existing limitations on funds held for contingencies and safety; in added paternalistic enactments; in further attempts by the State to regulate the details of business by statute; in the natural desire to control the funds which life insurance must have; in inefficient and dishonest administration. But as against all this there is the appeal which life insurance makes to the best in human affection and in society. There is the safeguard of publicity, and there is the strong probability that we have at last achieved a citizenship which can reform by destroying only that which ought to be destroyed. Given the supervision of a body of men like this, with administration which lives and moves in the sunlight, and we shall no longer hear or heed the voice of the man who cries out against life insurance because it has been too successful. We shall not listen long to the man who says the companies are too big. * * *

The future of American life insurance is as certain as the future of American civilization. If it fails, civilization will fail. But it will not fail. It lies too close to the hearts and homes of the people. It is too firmly and too scientifically established. It must go on because conjugal and parental affection will go on. It is as truly a part of this age as cathedral building was of an earlier age. It fits into the plans of a busy world, and this is a very busy world. Life is more productive, more generous, more effective, sweeter, happier; values are more certain; securities more abundant and better than ever before. All of these things make life insurance as inevitable as organic life under the conditions which exist on this planet. American life insurance, with all its faults, has seen the opportunity and the need and has splendidly answered both. Therefore, it must go on; business demands it; good morality demands it; the individual demands it; the State demands it; civilization demands it.

LIMITATION OF RISKS TO BE ASSUMED BY SURETY COMPANIES.

By John R. Bland, President the United States Fidelity and Guaranty Company.

Gentlemen—Corporate suretyship is a subject upon which few men agree; frequently even the officers of the same company are not in accord. The only real concurrence of opinion is found among the older surety men, or within the lodge of a corporation. And this is natural, for the organization of each company is unique. Its methods, as well as the mentality, temperament and opinions of its officials, differ from those of all others. The business itself is more intricate and complex than that of allied lines. It covers not only fire and liability insurance, but banking, engineering, mining, transportation, manufacturing and commerce. The methods of conducting it are widely divergent. These differences are, however, fortunate; they afford an opportunity for initiative and originality.

But while the differences are fortunate, they are embarrassing, and when your chairman invited me to address you on the "Limitation of Risks to be Assumed by Surety Companies" I was confronted with no inconsiderable task. My embarrassment was augmented by the fact that Insurance Commissioners are men of wide experience, possessing trained and analytical minds. Hence I appear before you with modesty, and must invoke your patience and forbearance.

It is not easy to combat a seemingly popular movement, although misdirected and inspired by false principles. I shall, therefore, endeavor to handle the question logically, presenting facts and figures to prove my statements.

The gentleman who addressed you on the subject of limitations at your last meeting injected into the discussion such questions as reinsurance reserve, special deposits, surplus and credits, which, while important, are not really germain. Therefore, I shall not attempt to treat them here.

Corporate suretyship is not properly understood. The surety company simply loans its credit. Its safety lies, of course, in the solvency and integrity of the applicant; at the same time faith in a man's continued solvency is affected by his known experience, business judgment, capacity and habits. It becomes then a question of time when a surety company may or may not be called upon to fulfil its obligations. As a bank's solvency is measured by the solvency of its debtors, a surety company's solvency is determined by the solvency of the principals whose contracts it guarantees. Therefore, the surety business is hardly one of insurance, but rather one of credit, and is more nearly akin to banking. * * *

There is not, of course, an element of real risk in every bond or guaranty. Statistics prove that it is on the average very small. The subjoined table, marked Exhibit A, gives the amount of liability assumed by the five leading surety companies during the past ten years, the amount of losses paid by them, and the percentage of loss to liability.

EXHIBIT A.

	Total Liability for Ten Years.	Total Losses for Ten Years.	Percentage of Loss to Liability, Mills.
Fidelity and Deposit Company........	$2,688,548,919	$3,916,286	1.45
American Surety Company............	3,644,472,769	3,848,367	1.06
U. S. Fidelity and Guaranty Co.....	3,191,751,142	3,981,535	1.25
National Surety Company	2,611,203,861	2,239,262	0.80
American Bonding Company.........	1,200,668,148	1,417,407	1.18
Average 1.15 mills.			5.74

According to this table, the average liability is infinitesimal. For every dollar it is 1 15-100 mills; for every $10,000, $11.50, and for every $100,000, $115.

The amount of a bond is not an indication of the amount of risk. A surety company may write a bond for $1,000,000 under which the risk is negligible. The experience of my own company demonstrates that the loss on large bonds is infinitesimal. The principals are generally financially strong and are conservative. Large estates, moreover, are seldom committed to a single trustee. The profit on large bonds has paid expenses and losses upon small bonds and dividends to stockholders, and also enabled the surety to set aside annually an ever-increasing sum for reinsurance and loss reserve. Bonds of the same penalty do not carry identical responsibility, nor should the premium be the same. In determining the amount, the surety cannot ignore the environment, the moral hazard, the duration of the obligation, the checks thrown around the principal and the nature of the particular risk. These considerations are the essential data upon which a company regulates its charge. They vary with each case, and vary more with each classification. Hence it is

in entire harmony with business principles to calculate the premium by the estimated risk, and not by the penalty. * * *

The movement to require surety compauies to limit the amount of risk assumed is more important than one realizes. The disastrous consequences which would follow the enforcement of the ruling of a 10 per cent limit will, I am sure, when the facts are made known, lead you to stamp the measure with unqualified disapproval.

The inconsistency of the rule is forcibly demonstrated by the following example, when two or more surety companies are permitted to execute a joint bond in excess of 10 per cent limitation:

The limit imposed upon my company is $200,000, the American Bonding Company $100,000, the Title Guaranty and Surety Company $100,000, or au aggregate of $400,000. On a risk of $400,000 a joint and several bond would be required. In case of default of one or more of the surety companies, the remaining solvent company or companies would be held responsible for the full amount of the bond. This practically negatives the ruling limiting each company to a 10 per cent underwriting, and is hence an anomaly.

No limitation whatsoever should be fixed, and I shall now proceed to demonstrate the reasons which induce me to take that position. The reasons are applicable to bonds of all of the several classes into which bonds may be divided for purposes of surety business, and I shall now consider some of them separately.

(1) BONDS OF PUBLIC OFFICIALS.

To show the manifest unfairness of attempting to gauge the actual liability by the penalty of such a bond, I submit the instances of two treasurers. Both are required to file a bond in the sum of $100,000. In one instance the treasurer may never have ou hand more than $10,000, while in the other he may have ou hand at any one time over $100,000. To consider concrete examples, the City Treasurer of Chicago and the State Treasurer of Nebraska are both required to file a bond of $1,000,000. The former handles during the year as much as $50,000,000, while the latter handles about $6,000,000, or but one-eighth of the sum handled by the City Treasurer of Chicago.

Only an expert can properly determiue or measure the amount of liability under such bonds, and then only after makiug a study of the particular case. * * *

(2) BONDS FOR SPECIFIC PERFORMANCE OF CONTRACTS.

There are mauy States and cities which require bonds in double the amount of liability, that is, the amouut of the contract would be $150,000, while the bond would be for $300,000. Under the 10 per cent limit our company could not write the bond, as its limit would be $207,000, although the actual liability could not exceed $150,000. The company would be compelled to seek cosurety or reiusurance, or to decline the business, despite the fact that its board of directors would be willing to assume the whole risk, and would welcome more business of the same character.

It will be claimed, of course, that in order to finish a contract of $150,000, a loss of $150,000 might be sustained. In reply I can only say that such a contingency is too remote to merit consideration. If the business is properly handled, no such loss could arise. In the first place, there are several bidders on every large contract, and nearly always the bids of the lowest bidders are close together. If the very lowest bid appears abnormally low, the risk would be declined in the first instance.

Now on all contracts there is a retained percentage, and if the contractor defaults, one of the next lowest bidders would undoubtedly be willing to take over the contract for the face of the contract plus the retained percentage.

In the absence of such an arrangement, the surety company is subrogated to the rights of the failing contractor and can finish the contract, save a loss and perhaps make a profit. It should also be borne in mind that 95 per cent of failing contractors fail because of insufficient capital and not because the contract is unprofitable.

Frequently it is found that the amount of the contract and the amount of the contractor's bond are the same. It is perfectly manifest that the loss sustained could not, except under extraordinary circumstances, exceed in this instance one-half the penalty. Therefore, to exact the 10 per cent limitation in such bonds would be illogical.

Bonds covering the construction of the Pennsylvania terminals, the Cape Cod Canal, the Erie Canal, the canal at Sault Ste. Marie, the drainage canal at Chicago, capitol building for States, dams, and locks on the Monongahela and Tennessee rivers, jetties at New Orleans and El Paso, Government reservoirs for irrigating purposes, court houses and sewerage systems, must each receive the same careful consideration. Conditions are prescribed under which the surety is justified in accepting the risk. If limitations were enforced in such cases, the surety compauies would be so hampered that they could not write the bonds. * * *

(3) JUDICIAL BONDS.

The possible loss on an administrator's bond of $1,000,000, if written for a responsible individual of high standing, may be regarded as remote. But the possible loss on ten appeal bonds of $50,000 or $75,000 each may inflict a ruinous loss on the surety.

An administration bond of $500,000 or $1,000,000—or even $5,000,000 or $10,000,000—may involve practically no risk, if the party bonded (as often happens) is the sole legatee, and the debts of the deceased are nominal. In such a case, if the fiduciary embezzled the whole legacy he would only be embezzling from himself individually, and consequently there would be no risk under the bond, unless for taxes, expenses or public dues.

Surety companies have on their books hundreds of judicial bonds, ranging from $250,000 to $1,000,000, and in some cases $6,000,000 to $8,000,000 under which no liability will accrue.

No surety company would require joint control, collateral or indemnity from J. P. Morgan, Andrew Carnegie, or many others of like standing. And if such requirement were demanded it would not be complied with.

In regard to administration bonds, it may be said that the administrator himself is often a person entitled to a large part or even to all of the estate. In the latter case the true liability is only the aggregate amount of the deceased's debts, expenses and public charges. Where allowed a discretion, the courts themselves often recognize such distinctions and fix the amount of the penalty accordingly. For example, my company is on the bond of the testamentary trustees of the late E. C. Swift. This estate is valued at $3,000,000, yet the bond is in the penalty of $100,000 only, and in this case no one of the trustees is entitled to any part of the estate. The court said, however, in fixing the penalty, that the well-known integrity and wealth of the trustees, and the fact that one of them is the husband of a beneficiary, should be considered.

The fact is, that trust bond in the penalty of 500,000 is a safer risk than many bonds in the penalty of $5000 only. It is not often that a trust estate valued at $500,000 is committed to the care of an unworthy trustee. He is generally a man of the highest standing, tried ability and wealth. My company has never lost a penny on a trust bond the penalty of which was more than $200,000; whereas it has lost heavily on smaller bonds. The assertiou is ventured that all other companies have had like experience.

As an illustration I cite the case of the trustees of the estate of Mrs. Mary Baker G. Eddy, for whom my company is surety. The estate amounts to nearly $1,000,000, and consists almost entirely of personal property. The trustees are respectively a member of Congress, worth individually $200,000; the president of the largest bank in Concord, and a third party of the best repute, although not of large means. It is scarcely conceivable that any loss could occur under this bond..

Anyone familiar with probate procedure knows that liability under bonds of executors and administrators is eliminated in certain cases by releases of record from the beneficiaries under the will. There is a case of this character where the penalty of the bond is $4,000,000, and where the releases reduce actual liability to less than $100,000. Who could deny us in these conditions the right to write a $4,000,000 bond? * * *

(4) TRANSPORTATION BONDS.

It is apparent that the order restricting surety companies to a liability on any one boud not exceeding 10 per cent of capital and surplus, would work a particular hardship to the surety companies without any advantage to the State or Government in cases of large bonds for transportation lines, domestic and foreign.

For example, these lines having terminals at seaports on the Atlantic or Pacific, or which interchange traffic with foreign railways at points on the Canadian and Mexican frontiers, and required to bond in large amounts in connection with permits to transport dutiable merchandise.

These carriers are, themselves, principals in the bonds, and before any ultimate loss could be sustained by the surety all the assets and resources of the principal would have to be exhausted. It seems hardly within the bounds of probability that a trunk line will become so impoverished and bereft of resources as to be unable to save harmless the surety under such obligations.

The same reasoning applies with equal force to large bonds which these great railway systems are required to give when they undertake to condemn real estate for corporate use, or when they appeal from the judgment of a court, or secure an injunction to stay the operation of an order or degree.

It seems to me that the author of the proposed objectionable ruling, and those advocating the passage of such a law, keep in mind only the apparent liability of the surety, and fail to give consideration to the ample responsibility of the principal in the bond, which so minimizes the ultimate liability as practically to extinguish it..

These bonds required by law are the cream of the business, upon which there is absolutely no hazard, and which the advocates of the rule hope, by specious arguments, to bar other surety companies from enjoying.

Not one of these corporations would give security to the surety company other than the indemnity of its own assets, nor would the indemnity be necessary. The surety companies realize that the business can be safely written without it..

(5) DISTILLERS' BONDS.

The rule passed by the Treasury Department at Washington has already caused general annoyance and inconvenience to distillers and brewers. To illustrate: Distillers are required to give annual bonds of from $500 to $100,000; in addition warehousing bonds must be given either monthly or annually, all of which are practically for the same product; that is, the Government estimates the value of the output of a giveu distillery and fixes the bond accordingly. Still another bond is subsequently required when the spirits are actually produced, run into barrels and stored in a Government warehouse. The bonds aggregate two, three, or four millions, but the liability will not exceed in fact three to five hundred thousand dollars, and even this liability is nullified by reason of the character of the business and the manner in which it is conducted.

A strict construction of the ruling would require many surety companies to go on a single bond of a distiller, and on him would be imposed the necessity of paying a premium to each surety—an additional burden without advantage to him or protection to the Government.

In January, 1905, my company executed for a distilling company in Cumberland, Md., fifty-four monthly warehousing bonds aggregating $781,000, covering whiskey produced and stored during the preceding years. The late Governor Lloyd Lowndes of Maryland had previously served as sole surety on these bonds, but at the time of his death the collector notified the distilling company that new bonds must be filed. Interpreting the worth of Governor Lowndes by the 10 per cent limitation, it would have been over $77,000,000, when in point of fact it was not $500,000.

This argument demonstrates not only the advantage of corporate surety over personal, but directs attention to the fact that while a surety company is rigidly limited in the amount of liability on any risk, no limit has been placed upon the liability which an individual may undertake. In this situation to leave the acceptance or rejection of personal bonds

to the sole discretion of the collector is a glaring mistake and inconsistency. The instructions to collectors, contained in department circular No. 8, in regard to this particular class of risks, are ironclad and read as follows:

"You are hereby directed to append all copies of bonds of every description executed by a surety company, and forward to this office a certificate in the following form: I hereby certify that the total outstanding liabilities of ....Surety Company on bonds of ....are less than the paid-up capital and surplus of said company, as determined by the quarterly financial statement filed with the Attorney-General."

In order to demonstrate the absurdity and absolute impracticability of this ruling, I am justified in presenting for your consideration certain facts with reference to the quantity of spirits produced in this country annually, the number of bonds to be given and vast liability represented by such bonds. The distilled spirits produced and bonded during the year ending June 30, 1906, aggregated 145,666,125 gallons, upon which the Government collected a tax of $1.10 per gallon. The monthly and annual warehousing bonds covering these spirits amounted to the large sum of $160,232,737.10.

During this same period there were withdrawn 122,617,943 gallons, which resulted in a cancellation of bonds aggregating $134,879,737.41. Notwithstanding this heavy withdrawal, there remained in distilling and general bonded warehouses on June 30, 1906, 236,735,923 gallons, covered by warehousing bonds amounting to $249,479,411.68. These figures demonstrate conclusively that if the law or rule were strictly construed, all the surety companies in the United States would find it impracticable to qualify except for a small proportiou of the aggregate liability under this class of Government bonds, and thus large distillers would find it impossible to obtain sufficient surety to operate their plants. The Treasury Department would then discover that while it had succeeded in trammeling the actions of the surety companies by useless and irksome regulations, it had been forced to accept thousands of worthless personal bonds in place of good corporate surety. * * *

(6) INTERNAL REVENUE COLLECTORS' BONDS.

Internal revenue collectors are required to furnish bonds averagiug $50,000 to $200,000, and besides must give additional bond of from $10,000 to $40,000 as disbursing officers. The same system of keeping accounts is employed in all offices, and examinations are made monthly or oftener by special revenue inspectors. Deposits must be made daily with the sub-Treasurer, thus relieving the collector of the responsibility of safeguarding the funds. The system is so perfect that within a few hours the accounts of any office can be checked up to the fraction of a cent.

During the fiscal year ending June 30, 1907, the aggregate collection of all internal revenue officers amounted to $249,102,738, and for the past ten years to 2,411,962,160. Notwithstanding such vast sums have been handled during the past decade, only one collector, as far as we can learn, has defaulted. The peculations of this collector, which amounted to $23,000, were made possible by the fact that he worked in collusion with the cashier. Had his accounts been examined by the system now in force, the embezzlement could not have occurred. Yet the rule applies with the same force to the bonding of collectors and officers of internal revenue departments, where the liability is of most limited character.

We pass now to the consideration of a special feature of the 10 per cent limitation, to wit: Collateral or indemnity.

COLLATERAL OR INDEMNITY FOR THE AMOUNT IN EXCESS OF THE 10 PER CENT LIMITATION.

The ostensible object of this provisiou is to permit surety companies to qualify on any bond, regardless of the amount, if protected by collateral or indemnity. The provision is not only incongruous and easily nullified, but in practice can be used as an instrument to deceive.

For example: One surety company may be governed by upright and honest purposes, may enforce the letter and spirit of the rule by the application of a rigid policy, and exact indemnity worth par value; while another, through indifference or ignorance, may accept bonds of indemnity whose execution is ultra vires, or may even go further and encourage the creation of indemnity which will serve to deceive. It is manifest that those who honestly obey the law would stand a poor chance with those who undertake to evade it.

Besides, who is to be the judge, and by what standard of value is the collateral or indemnity to be gauged? You must bear in mind that collateral or indemnity will be taken in Maine, California, Louisiana, Michigan, Illinois, or Florida; in short, it may be taken one to three thousand miles from the State which endeavors to enforce the law. Is the Insurance Department or the management of the surety company to be the judge of the value of such indemnity or collateral? If the former, how will the Department be able to estimate the value of the indemnity? And may not prejudices arise which will warp the judgment, and thus make the party unfit to pass upon so important a question?

But if the surety company is to be the judge, as in justice and right it should be, we return to the normal conditions existing before the imposition of the limitation. * * *

The gentleman who addressed you last year, and who advocated the 10 per cent limitation, said that he did not want to see any company go to the wall. Is it not remarkable that the executive of one company should be so solicitous about the welfare of his competitors? With his own experience he could and does govern the policy of his own company to the extent of limiting liability. But why should he endeavor to dictate the policy of other companies? Why, in order to accomplish his purpose, does he fall back upon the strong arm of the Government to compel his own company to comply with the law when he can adopt any rule he sees fit for its management.

His arguments should not deceive any one acquainted with the surety situation. The officers of other companies should have the credit for judgment, and it should not be supposed that they would bind their companies without throwing every safeguard around a risk.

No company would write a bond the liability under which exceeds a certain amount at risk, without satisfactorily protecting itself, not by conditions imposed by the 10 per cent limitation, but by conditions and safeguards provided by itself. In such cases, the actual penalty of the bond might exceed the limitation, while the risk might be less than $10,000.

The gentleman admits that the largest loss paid by his company in 1906 did not exceed $20,000. He tries to create the impression that this condition was produced because his company had not been promiscuously writing bonds for $500,000 and $1,000,000. Of course his company did not write large bonds promiscuously; neither did any other company; but all the companies wrote large bonds, and there is not a single case on record where any company has sustained heavy loss ou account of bonds in excess of the 10 per cent limit.

The gentleman's statement is disingenuous. His real reason is to control the business which his own company cannot secure by limiting the amount which smaller companies may write. * * *

Some one inquired at the last convention whether or not the failure of two surety companies would not help the gentleman's company. The reply was that any surety failure would prove most disastrous to that company's interests. The gentleman making the statement did not know, or failed to remember, that there were actual figures on record that absolutely disprove it. The amount of business enjoyed by all the surety companies the year prior to the failure of the Union Surety Company (1903) was $7,252,365; the year following (1905) was $9,673,933; the business enjoyed by all the companies the year prior to the failure of the City Trust, Safe Deposit and Surety Company of Philadelphia (1904), was $8,382,456; the year following (1906) was $11,519,464.

These figures demonstrate that these failures did not affect the business of any company. Since then not less than four others have been formed, and still more are in process of formation. The failure of two surety companies in twenty years does not prove the need of a 10 per cent limitation. * * *

Granting, for the sake of argument, that the Secretary of the Treasury had the legal right to issue the order complained of, we may inquire without presumption why the limitation was fixed at 10 per cent of capital and surplus. Are there any trustworthy tables of statistics to prove, or does recorded experience prove, that the 10 per cent limit is the danger line beyond which ultimate insolvency lies? Unless it can be demonstrated by experience or statistics that a 10 per cent limitation is reasonably close to the danger line, then the impression of that limitation does not rest upon a scientific basis and becomes a purely arbitrary restriction placed by the secretary upon the freedom of action of the surety companies.

It may be possible that the limitation of 10 per cent was chosen because under the national bank law the banks were at first limited to 10 per cent of their capital, and only recently to 10 per cent of their capital and surplus on loans to any one borrower. But are the cases analogous? * * *

If, then, the limitation of 10 per cent of capital and surplus rests upon no scientific basis, but is fixed arbitrarily by the secretary, what is to prevent a disingenuous secretary, or oue amenable to pressure, from fixing the limitation at 5 per cent, or even 1 per cent? We presume the decimal numeral may, without impiety, be waived by an obliging secretary.

But, gentlemen, whence comes the demand for these new regulations and this new legislation for the lack of which the public is said to suffer grievous wrong and danger? When wrong is felt or danger threatens, our people are not slow to make themselves heard. Have the people assembled in mass-meeting and petitioned for this new legislation? Have Chambers of Commerce and Boards of Trade demanded it? Have manufacturers' associations, bankers' associations and kindred organizations prayed for it? You have neither seen nor heard of such manifestations, nor are you likely to do so. The only known source from which a demand for this new legislation emanates is the home office of a large surety company. Ostensibly the officers of that company, owing to moral weakness, fear that they may inflict loss upon the public. They decide to be protected from themselves. They are weak and inveterate sinners who will yield to temptation unless restrained by statute. They want a paternal and all-wise government to save the people from oppression, and this can only be done by putting themselves and all the other surety companies under duress.

But why 10 per cent? Because the ostensible purpose is not the real purpose. The real purpose is sinister and selfish. The aim is by the aid of law to force into the hands of one or two surety companies all the business of individuals, firms and corporations that occasionally require large bonds. The result would be, practically, the formation of a surety trust, and an increase in the cost of surety bonds with no gain to the public in quality of service or in immunity from loss. * * *

I have, I hope, demonstrated that whatever may be the inspiration or object of the ruling, the doctrine is in practice utopian; that the claim made for it that it embodies principles of safety and reasonableness, is incorrect; that it is based upon theory and not upon fact; that the movement is ill-advised and the idea crudely conceived; that it is contradictory in character, indefinite, confused and unworkable; that it will destroy individual effort and put a damper upon initiative; that it will be inequitable and unjust and defeat the very object for which it was promulgated. Any attempt on the part of the States or the general Government to enforce it will result in restraint of trade, prove inimical to public interest, tend to create a trust, foster the interests of one corporation at the expense of others, and be especially burdensome to a large class of persons engaged in business and manufacturing pursuits. It is opposed to long-established custom and is altogether un-American.

I have given my reasons for opposing the rule and the proposed act; certainly I have shown that I have a clear right to impugn its justice and fairness, and to this end I invoke your serious consideration in protecting our interests.

—William F. Smith, superintendent of the Life Insurance Company of Virginia at Wheeling, W. Va., has severed his connection with that company.

Bascom H. Robison, President of American Life Convention.

At the recent annual meeting of the American Life Convention the vote for president brought forth many complimentary remarks for the two candidates in the field, and when it was announced that the honor had fallen to Bascom H. Robison, president of the Bankers Reserve Life Company of Omaha, Neb., satisfaction was expressed by all. The organization will have a capable successor to Presidents Reynolds and Dark in Mr. Robison, whose success as the head of the Bankers Reserve Life Company has been pronounced. It was the consensus of opinion at Indianapolis that in the past two years the American Life Convention had demonstrated the value of its existence, and that the numerous questions which affect its members had been ably and judiciously handled. That Mr. Robison will succeed equally well in the coming year there is no doubt, so that a really strong organization of life insurance companies covering a rapidly growing section of the country with its members working together in harmony is assured. Mr. Robison is a native of Indiana, and after spending several years in the field as soliciting and general agent he organized, in 1907, the Bankers Reserve Life Company. In the ten years of that company's existence it has progressed steadily in public estimation and volume of business, until now it has about one million dollars of assets and nearly twenty millions of insurance in force. A great deal of its success is due to Mr. Robison's frankness with the public and policyholders. Every detail of the company's business is constantly put before them and the results prove the correctness of his position. Elsewhere in this issue The Spectator presents a picture of Mr. Robison, taken from a recent photograph.

The Volunteer State Life Insurance Company.

[To the Editor of The Spectator.]

In your issue of August 22, 1907, on page 83, you have an article headed "The Volunteer State Life Insurance Company." This article refers to the recent comment in The Southeastern Underwriter of Atlanta, Ga., attacking this company and the Insurance Department of the State of Tennessee.

This letter is to thank you for the just, clear and businesslike tone of your article, and to assure you that not only the writer, but every officer of this company, appreciates such an article in your very valuable publication.

I have letters on file dating back to our organization from one—Mr. Hall of The Southeastern Underwriter—containing veiled threats, etc., but all the time sending us blank advertising contracts. However, the article itself was inspired by such companies as are using the abominable board contracts and agency schemes.

The officers of this company were very active in having put on our statute books such laws as would prohibit a company using special contracts, selling stocks, and other questionable methods from doing business in this State.

This company was organized with very strong business men who agreed to do without dividends on their stock for a period of five or ten years, if necessary, in order that we might start a life insurance company here on safe, conservative and legitimate lines. Along this road we have traveled since organization, and propose to, as long as we have a charter in the State of Tennessee or any other State.

One of my first acts as Insurance Commissioner of Tennessee in 1893 was to revoke the license of the State Life Insurance Company of Indiana on the ground that a board or special contract was discrimination, unjust, unsafe and unsound.

We are content to grow slowly, with just enough sense to know that we must have a foundation before we can put on a superstructure. That we are having a hard time was to be expected, but when we organized we did not anticipate that this section of the country would be flooded with "wildcat methods" and companies managed by men who know absolutely nothing of the true principles of life insurance.

I did not intend to write so long a letter, but it is really hard to explain without giving you some of the history of the course pursued by this journal in Atlanta and the prejudice of the few companies which are doing a business that will not stand the light of day.

Again thanking you and assuring you of our appreciation, I beg to remain, yours truly, E. B. CRAIG, Vice-President.

Chattanooga, September 6, 1907.

—A salesman, early in his career, learns to judge his buyers, and to adapt his arguments and methods of approach to each individual case. You cannot address a different advertisement to each individual, but you can get at the kind of people you are selling to and show up the points about your goods that will get them to buy. Give reasons why. That is essential, no matter whom you are addressing, but the specific reasons why must be adapted to your particular audience.—Michigan Artizan.

INDUSTRIAL INSURANCE

Cost of Business.

Industrial insurance—despite the diatribes of a few visionaries and idealists—is procured at a considerable expense notwithstanding the most rigid economies, careful administration and unrelaxed vigilance. Yet in every company there are some managers who work against the law of general average by neglecting to avoid useless expenditures; in other words, there could be a great saving if still more care were used by all instead of some. So far from militating against individual salaries it may easily be said that the lower general cost in any district the more easy it would be to recognize the value of the tested workers. It is practically axiomatic with any company that a district showing large special salary losses lays each staff open to closer inspection, so the best manner of claiming the company's confidence is for the manager to administer his affairs without waste. Poorly concentrated debits, "balloon business," high-pressure methods, neglectful assistants, improperly solicited applications, lack of system, failure to secure first premiums, and disregard of transfers all tend to waste, which means nothing less than loss and cost. It is up to every manager, every assistant and every agent to stop any leakages, bearing in mind that special salary and other saving is just as important to the individual and district as to the company. Some managers, who stand high on the general increase record, wonder why the company does not more frequently pat them on the back, forgetting that the self-same increase is obtained at abnormal cost and with considerable loss. No better test of a manager's ability is found than his skill in producing his allotment of increase with a minimum cost. We invite every manager to ponder over this subject.—The Colonial News.

Prudential Leaders.

The Prudential superintendencies which lead in industrial increase for the year are: V. W. Kenney, Baltimore 3; Z. T. Miller, New York 8; G. S. Wainwright, Washington; A. X. Schmitt, Chicago 2; J. Pauer, McKeesport. The leading agents are: J. T. Quinn, Baltimore 3; J. C. Allen, Chicago 2; M. L. Dilts, Peoria; S. S. Koffler, New York 5; R. E. McGuire, Newark 1.

The following superintendencies lead in amount in ordinary produced this year: J. R. Russell, Pittsburg 1; C. W. Godfrey, Hartford; A. X. Schmitt, Chicago 2; H. R. Kendall, Louisville; Z. T. Miller, New York 8. The leading agents are: L. Epstein, Bayonne; M. L. Dilts, Peoria; J. Hemphill, Camden 2; H. McGeorge, West Hoboken; G. D. Titcomb, Detroit.

Good Collection Records.

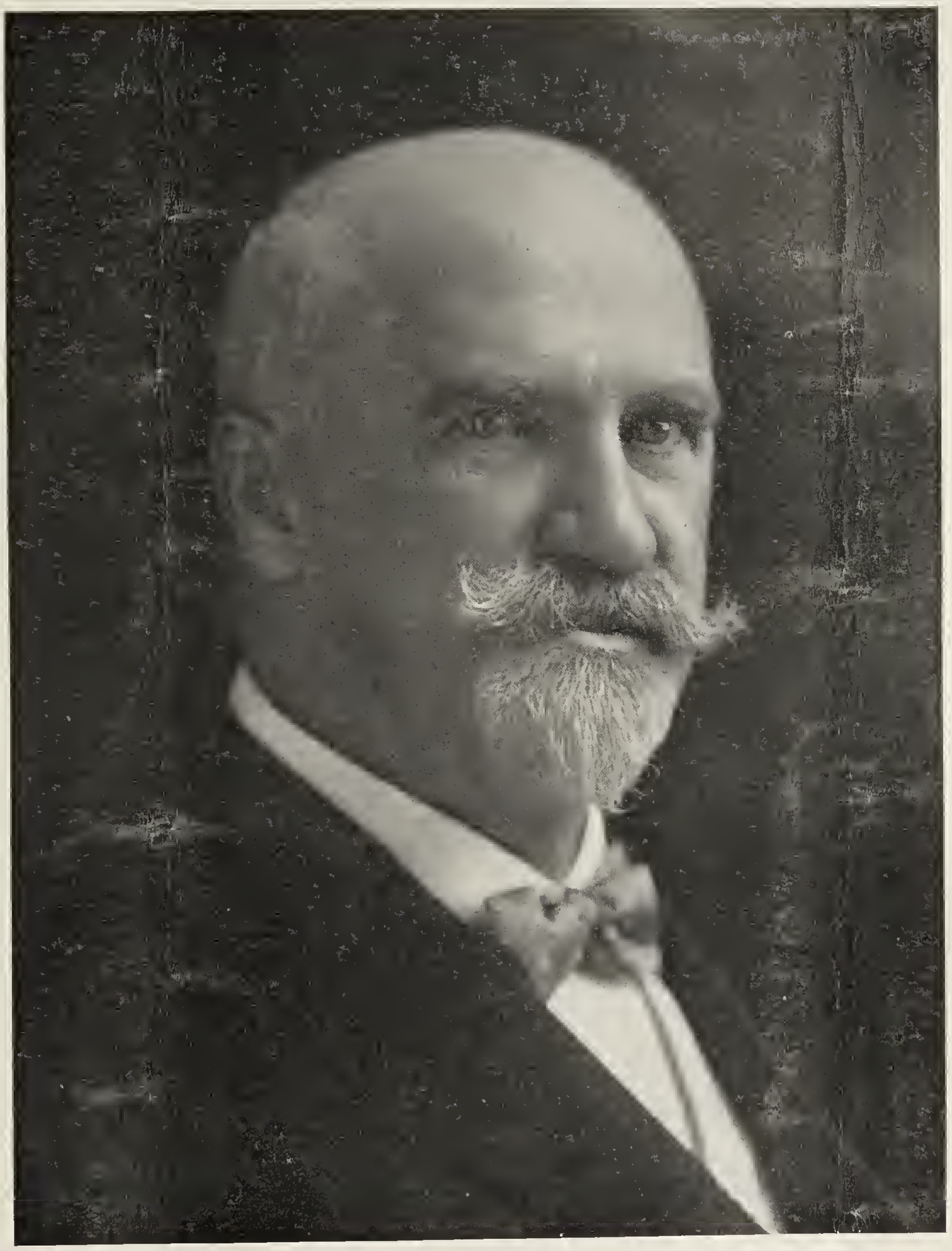
The Life Insurance Company of Virginia has a lot of men who know how to connect with the specie. Durham of Shreveport leads in this particular. He is like an electric ore separator. Any of the precious metal that comes within his sphere of influence is bound to attach itself to his person. His last week's record was 100 per cent, and for the six weeks preceding, his score was 104 per cent, 144 per cent, 103 per cent, 106 per cent, 110 per cent, and 101 per cent. But there are others. Knight of Newberry made his 198 per cent, Cosgreve of New Orleans 3 106 per cent, 118 per cent and 112 per cent. T. F. Stone of Durham 101 per cent and 103 per cent. Bunch of Charleston 104 per cent. Stoer of Shreveport 137 per cent. Utley of Wilmington 105 per cent, 115 per cent and 104 per cent. Fuchs of Evansville 110 per cent and 103 per cent.

Are Now Assistants.

The following agents of the Prudential have been advanced to the rank of assistant: A. Brunner, Brooklyn 3; E. M. Louer, Brooklyn 6; J. W. Thomson, Bridgeport; S. S. Hopper, Brockton; G. S. Connor, Lawrence; C. R. Macauley, Philadelphia 10; F. O. Gallie, Allegheny; L. C. Price, McKeesport; C. Mills, Hamilton; E. Nestler, Buffalo 1; E. J. Peters, Pottsville; S. Goldbarth, Chicago 10; W. F. Comstock, York; C. C. Madsen, Omaha; F. X. Beaver, St. Paul; C. H. Perrine, Kingston; G. L. Ackerman, Paterson; D. Thomson, Paterson; K. J. Neilson, Grand Rapids.

No Lapses Here.

Some of the men in the ranks of the Life Insurance Company of Virginia are doing fine work in keeping down lapses. Cobb of Richmond has not had a lapse in eleven weeks; Tucker of Newport News, and Robertson of Richmond none in five weeks. The following long list is of those who have not lapsed a policy in four weeks: Lamm, Kinston; Fenly,



BASCOM H. ROBISON

President Bankers Reserve Life Company, Omaha, Neb. Elected President American Life Convention, September 7, 1907

Charleston; Cooper, Columbia; Rogers, Piedmont; Nussbaumer, New Orleans 2; Sheehan, New Orleans 3; Schofield, Shreveport; Drexler, Evansville; J. P. Bartlett, Atlanta.

—Thurston W. Woodworth, formerly superintendent of the Metropolitan at Eau Claire, Wis., has been promoted to be superintendent of the St. Paul district.

—The Colonial announces the following appointments to assistancies: George A. Spohr, Yonkers; Edward Scherf, Newark; Thomas L. McKim, transferred from Yonkers to Bronx; Oscar Newman, Trenton.

—"Remember, to many men all companies are alike. They ought to know better, but they do not. Some man will recall that some assessment company has failed in which he was once insured, consequently to him your company may be unsafe."

—The Tennessee agents of the Metropolitan Life recently held a banquet at the Maxwell House, Nashville, The meeting was an enthusiastic one and brought out the fact that the Nashville office is doing a much larger business than ever before.

—Six assistants and twelve agents from the Hartford staff of the Prudential, under Superintendent C. W. Godfrey, visited the home office last month. The trip was the outcome of a district contest in joint results during a period extending from April to August.

—The Rome Industrial Life of Rome, Ga., has received a new license from the Georgia Department. When the company first applied for admission, the statement filed was not as complete as the Georgia Department required. A new statement has been filed and it is believed that everything has been satisfactorily explained.

—The industrial agents of St. Louis have arbitrated their differences and the threatened "strike" will probably never come off. The agents of the Metropolitan Life have agreed to submit their complaints to President Hegeman. They desire a return to the fifteen per cent commission for collection instead of the $15 a week salary plan which was adopted in June. Agents of other companies are believed to be willing to settle on the same basis..

—The following changes and promotions are reported by the Life Insurance Company of Virginia: Agent W. B. Griffin of Atlanta, appointed assistant in that district to succeed Assistant J. C. Wood, resigned; Agent F. W. Vaughan of Washington, promoted to assistant, succeeding Assistant C. L. Beasley, resigned; Assistant D. E. McDonald of Norfolk, appointed superintendent of the Wheeling district, succeeding Superintendent W. F. Smith; Agent John Green of Columbia, appointed to the position of assistant in Union, succeeding Mr. Glymph, who has become superintendent there; Agent W. E. Miles appointed assistant in Charlotte, succeeding S. W. Harkey, resigned.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

The retirement of the New Jersey Fire was the end of a company which began operations more than a year ago under the former management of the Security Fire of Baltimore. The latter company was hopelessly ruined by the San Francisco losses and reinsured its outstanding risks in the New Jersey. From the outset there was a hitch in the deal. The brokers began to hand in Security policies for cancellation at short rates. The New Jersey offered fifty per cent of the returns and claimed the reinsurance was shared with a foreign company; but, as there was no public notification of the other company's interest, the New Jersey suffered in consequence. The company wrote very liberally and took risks in San Francisco through its New York office. The dissolution of the firm of Loeb & Barry was accepted several weeks ago as a forerunner of the retirement of the New Jersey.

The September session of the Exchange was unimportant. The repeal of the old rule, prohibiting the writing of any merchandise risk to include stock wholly or partly manufactured, raised a temporary breeze, inasmuch as the proposal was turned down by the rate committee, and the Exchange then turned down the committee by a vote contrary to the committee's recommendation. The manufacturing clause in merchandise forms has been a bone of contention for several years, and it is generally believed it has not been carefully observed. The plea for its repeal was that it drove away good business, which practically meant that the honest companies were cheated by the dishonest.

A Maiden Lane agent has written a protest to the Exchange against the present form of the electric light clause, which requires only notice in case of any alteration in an equipment. Formerly no alteration was permitted without written consent of the electrical department of the Board, but by substituting notice instead of consent the companies lost the advantage. In a recent loss caused by an alteration without the consent of the inspectors, the companies might have questioned the claim, but were forced, much against their will, to yield the point.

An underwriter, whose opinions would carry weight if he would allow the use of his name, says the logical thing for the companies to do in order to prevent the aerial conflagration in the forty-story sky-scrapers predicted by President Babb is to refuse to insure them; or in lieu of that, to make the rate prohibitory. The additions for height in a mercantile building are cumulative and rapid, and if the rule were applied to sky-scrapers the rates, instead of hovering around fifteen or twenty cents, would mount up to two per cent. The companies which are now willing to write such risks at twenty cents might regard them as a bonanza if the rate were tripled. Our friend says that the companies cannot afford to encourage such buildings by very low rates and then denounce them as dangers.

The regular monthly meeting of the New York Board was held yesterday, when the proposal to inflict a fine upon absentees, in order to promote a quorum, was to have been taken up. Its defeat has been predicted a dozen times. If a quorum was present yesterday, it was a surprise.

The brokerage committee is still besieged with applications for certificates for new brokers. It is understood that the number dropped from the rolls every month is about two-thirds as many as the new brokers receiving certificates. The yearly number of new brokers created by the committee is about 1500 and the number dropped about 1000. The cry is still they come; and the wonder is, where do they all spring from?

Among the late arrivals we notice the name of Rollo V. Watt, Pacific Coast manager of the Royal, who has come here for a conference with the head office manager of the company.

The payment of return commissions for reduced rates is not one of the summer joys; but owing to the vacation season, some offices are swamped with an accumulation of such claims and are slowly working them off. Return premiums are the bane of the business, annoying the company, disgusting the brokers and angering the customers when there is any delay in the payment.

BOSTON AND VICINITY.

Nothing, of recent occurrence, has caused more sincere regret than the sudden death, Thursday, of Ira Webster Orcutt, for almost twenty years superintendent of the Boston Board of Fire Underwriters. The cause of death was apoplexy, with which he was stricken at his desk.

The New England Insurance Exchange has granted a reduction in rates in West Springfield and Agawam, Mass. In the first-named place the reduction, in the district covered by the fire department, makes the new rate, on a basis of $100, as follows: One year, 25 cents; three years, 50 cents; five years, 75 cents. In Agawam the reduction is equivalent to 25 per cent.

The Boston Retail Grocers Association, which consists of about 500 members, with a fund in its treasury of something like $150,000, is seriously considering the formation of a mutual fire company.

It is reported on the street that a movement is on foot to organize a new fire insurance company in Boston; but a diligent search fails to disclose the would-be incorporators.

In its enlarged quarters, the Boston Board of Fire Underwriters has about four times its old counter space.

NOTES FROM PHILADELPHIA.

The new firm, Donaldson, Walton & Co, of 203 South Fourth street, has been apointed second agents of the Law, Union and Crown

This city will soon be up to date, provision having been made to have Chief Baxter of the fire department ride to fires in an automobile.

George E. Wagner & Co. have been given a direct reporting agency of the Queen City Fire.

Suburban underwriters will no doubt be much interested in the decision of the Merion Fire Company No. 1 of Ardmore at its next meeting on a proposition to disband, because of a lack of financial support. There are none too many fire companies on the main line now, and the loss of one will not be relished by insurance men.

Since the serious fire in the warehouse of A. Schoenhut & Co., toy manufacturers, 2154 East Adams street, on August 19, causing a loss of $60,000, underwriters have been seeking a satisfactory explanation of origin.

Charles Alcock, manager of the Royal Insurance Company at Liverpool, accompanied by C. F. Shallcross, New York manager, visited the office of the company in this city last week.

The firm of Haughton & Muir, which was recently dissolved, has been succeeded by a new firm of Haughton & Smith, as representatives of a number of prominent fire insurance companies in the Philadelphia and suburban fields, and the United American Accident Company and United Surety Company.

THE MIDDLE STATES.

—The Rochester Board of Fire Underwriters has elected the following officers: President, H. M. Webb; vice-president, James C. Clemens; secretary, Harry F. Miller; treasurer, Buell P. Mills.

—George Brinley, of the home office staff of the Hartford Fire, was tendered a farewell dinner by his associates previous to a departure to assume his new duties in special agency work for the company, operating in Eastern New York, with headquarters at Albany.

THE NEW ENGLAND FIELD.

—Ira Webster Orcutt, superintendent of the inspection department of the Boston Board, died last week following a stroke of apoplexy. He had been in the service of the board for twenty-five years.

—The many friends of James H. Brewster, United States manager of the Scottish Union and National and the State Fire, deeply sympathize with him in his bereavement caused by the recent death of his father, Henry A. Brewster, at Coventry, Conn.

THE WEST.

Ohio Notations.

Special agents state that little improvement has been shown in conditions in this State within the past month. If anything, they have grown worse. Some of the companies, it is stated, are paying almost any commission demanded for the business and taking all that is offered without regard as to its desirability, and in many cases as to the rate. So far this year this haphazard manner of doing business has proved fairly profitable, and a few of the staid old companies are meeting the competition on everything except the bad risks, it is said. With matters in such shape, an outbreak may be expected soon or late, as Ohio has been a good State for the past several years, and companies will not see the business slip off their books.

Cleveland business men in the downtown district are looking forward now to the promised reduction in their fire rates, due to the completion of the high-pressure water system.

It is said that trouble is being caused at several points over the ridiculously low figure at which county property is being written. This has been brought about by the requirement that agents submit bids. In one case in particular, where the annual rate is 60 cents, bids on a children's home as low as 72 cents for five years were submitted. At another point, where the bids were almost as low, the business men are talking of placing their insurance through competitive bidding. They say if $400 can be saved in the premiums on certain public buildings, they should also be able to save a lot of money in the same way.

The directors of the Ohio Canners Mutual Fire Insurance Company of Columbus elected the following officers: President, A. O. Glock, Columbus; vice-president, J. C. Warvel, Wauseon; treasurer, I. R. Waters, Columbus; secretary, F. H. Ellsworth, Columbus. Both Mr. Glock and Mr. Ellsworth are experienced men in the mutual insurance business.

Stock companies are renewing the insurance on the properties of the Cleveland Electric Railway Company, which expired Sunday. This business is written under two schedules, one covering the protected risks, and the other the unprotected. The average rate on the protected properties is 18 plus, and on the other class, $1.10 plus. The unprotected risks are written with a coinsurance clause and on standard form. The line amounts to about $5,000,000 and is considered a very good one from the point of protection.

Most of the automobile garages in Cleveland have installed an apparatus for carrying of the gas from waste gasoline that has been flowing into the sewers. This is in accordance with recommendations made by the city plumbing inspector, who announced some time ago that the accumulation of gas from the gasoline allowed to run into the sewers was sufficient to endanger lives and property.

Field men say, that while the agents of Wheeling, W. Va., seem determined now to write business at rates made by their own organization, instead of using the Ohio Inspection Bureau figures, they will probably settle down later on and use the Dean rates. The local agents, at their annual State meeting a few days ago, passed a resolution in favor of having a special bureau for that State instead of a branch of the Ohio bureau. A change of this kind might settle the trouble satisfactorily there.

O. M. C.

Cleveland, Ohio, September 14.

Programme of Fire Underwriters Association of the Northwest.

The programme for the thirty-eighth annual meeting of the Fire Underwriters Association of the Northwest, to be held at the Auditorium in Chicago, October 9 and 10, has been completed by President Clarence G. Meeker. The annual address will be delivered by Insurance Commissioner Arthur I. Vorys of Ohio on the morning of Ohio Day, following the presentation of a special memorial on President King. At the afternoon session the following papers will be presented: "Supervision," by Oscar B. Ryon, Streator, Ill., special counsel of the Insurance Department of the State of Illinois; "Affiliation," by M. L. C. Funkhouser, Chicago, vice-president Farmers and Merchants Fire; "Fire Insurance Companies Before the Courts," by Ashley Cockerill, attorney-at-law, Little Rock, Ark. The remaining papers will be read at the morning session, as follows: "The Education of the Public Through the Agents," by C. T. Deatrick, Columbus, Ohio, State agent Home, New York; "Quo Vadis," by Young E. Allison, Louisville, Ky., editor The Insurance Field; "The Joppa Landing," by James W. Going, Topeka, Kan., vice-president Shawnee Fire.

Ohio Notes.

Although many attempts have been made by Ohio field men to get the Toledo agents to reorganize the association which they disbanded last spring, all efforts have been unsuccessful up to date. The agents have hung together pretty well without an organization, considering the fact that Dean schedule rates, which advanced tariffs all along the line, and which they were expected to get, were forced on them in the meantime. Some of the locals, however, have caused more or less trouble right from the start, and word comes that patience on the part of the remainder is ceasing to be a virtue, and that conditions are likely to be worse before they become better.

The Delaware, Reliance, and Rochester German, which make up the trio whose Western affairs are run from Chicago by O. C. Kemp, are building up their Ohio business, and D. C. Morgan, lately with the Guardian and Southern, has been appointed assistant special agent of the Kemp companies, under State Agent Charles L. Hecox. Eastern Kentucky has been added to the Ohio field.

Rate conditions in Ohio have been none too good for the last year, and a mild sort of trouble has broken out recently in two or three places where newspapers advertised the fact that the public authorities had effected heavy savings on public buildings by obtaining competitive bids from agents, just as if insurance were so much coal or paving brick. The Dean rates are being applied in Cincinnati, and no particular trouble is being experienced, although there is the usual talk about organizing mutuals, the retail grocers and shoe dealers of the city being the persons anxious to try the experiment this time.

Fire Marshal Creamer of Ohio, who was formerly a local agent of the Continental, and who always may be depended upon to say something interesting, has compiled some instructive figures comparing the fire losses in various smaller Ohio cities in 1906. For instance, Lorain and East Liverpool, each with the same number of inhabitants, had widely

different fire records; East Liverpool burniug up five times as much property as Lorain, and having seven times as many fires. A very illuminating point is that the proportion of insurance to value in East Liverpool was one-half again as great as in Lorain. This same point holds true in a comparison of fires in Erie and Licking counties. That the existence of a good fire department is no guarantee against heavy loss is shown from a comparison of Portsmouth and Marietta. The per capita loss in the former was $6.25, and in the latter was only 17½ cents, in spite of the fact that its fire department is of no significance compared with that of Portsmouth.

Full appreciation of the very great value of the new Cleveland separate high-pressure fire main system in the congested mercantile and light mauufacturing district of the city is obtainable from the illustrated report of the demonstrating tests of August 31, issued by the Cleveland Inspection Bureau, a copy of which may be had on request to the bureau. The system protects fifty blocks containiug the largest values in the city and is fed by two fire boats, located at separate stations on the river which bisects the city. These boats work at a pressure averaging 250 pounds per square inch, and at points about one mile distant, the pressure at hydrants averages 150 pounds, while that at nozzles averages 125 pounds. At one point about one-half mile from one of the boats and 79 feet above the water line, the stream was of such magnitude that its main downpour was one block distant from the nozzle and could have been directed easily into the eighth floor of a nearby skyscraper.

It is held that the system will not be ideal until the city has installed a stationary pumping plant specially for the use of the high-pressure service, but that it is of great value in deluging a burning building or protecting the city against a conflagration, and that it makes Cleveland one of the best fire-fighting cities in the country is plainly evident. The Dean schedule rates in force in this district are to be reduced from five to ten per cent on account of the added protection.

Columbus, Ohio, September 15, 1907. CHRISTOPHER.

—E. A. Fitz, assistant secretary of the Iowa Home, succeeds H. C. Stuart as secretary of the company.

—W. P. Perry succeeds Charles F. Hardy as Kansas special agent of the Insurance Company of North America.

—J. B. Robbins, special agent of the State of Omaha, becomes special agent of the Calumet for Iowa and Nebraska.

—H. A. Atherton, a local agent at Geneva, Neb., has been appointed special agent of the Williamsburgh City for that State.

—The third annual meeting of the National Association of Electrical Inspectors will be held at the Hotel Ryan, St. Paul, October 22-24.

—John A. Hanson of St. Paul, State agent of the Milwaukee Mechanics for Minnesota and the Dakotas, has had Montana added to his territory.

—Archibald Kemp, formerly special agent of the Union of London, has been appointed chief of the loss department in the West of the Northern of London.

—David E. Jones, Ohio special agent of the Firemans Fund, has resigned to become Minnesota and the Dakotas special agent of the Niagara Fire, succeeding the late R. G. McKean.

—It is reported that Alvin T. Coate, secretary of the Indiana State Fire of Indianapolis, a mutual, is promoting the organization of a stock fire company to have a capital of $200,000.

—From October 1, Allen E. Clough of Kalamazoo, Mich., State agent of the London Assurance for Michigan and Indiana, becomes its general adjuster, with headquarters in New York.

—The annual report of the Chicago, Milwaukee and St. Paul Railway Company gives the insurance guaranty fund as of June 30, 1907, as $1,530,820. The gross premium receipts were $155,837 and the losses $41,596.

—The Michigan Association of Local Fire Insurance Agents has appointed a special committee to prepare a memorial to the next legislature, asking for the repeal or modification of the new law regarding coinsurance.

—McLean, Stinson & Co., represented in Chicago by Eugene I. Wile, have been appointed United States representatives for surplus lines of the Western Canada Fire of Calgary, Alberta, and the Calgary Fire of Calgary.

—The firm of C. D. Cobb & Co., Denver, Col., has consolidated with the Sanger-Bonsall Agency Company. Charles D. Cobb and Clarence M. Cobb will continue in the business as directors of the Sanger-Bonsall Agency Company.

—G. B. & E. B. Kempster, formerly in the general agency business at Little Rock, Ark., have established a general agency in St. Louis, representing the Austin Fire for Missouri. The firm will also conduct a local agency for St. Louis.

—The Indiana Association of Local Fire Insurance Agents has elected the following officers: President, Horace M. Smith, Terre Haute; vice-presidents, J. W. Kirkpatrick, Muncie; James R. Ferguson. Evansville; Marshall V. Robb, Clinton; secretary and treasurer, J. Vene Dorland, La Porte.

—The annual meeting of the Western Union, which is being held at Frontenac, N. Y., will be an unusually animated session. The situation in the anti-compact States is expected to furnish the chief interest of the meeting. The governing committee will review the Kansas rating bureau litigation, the Minnesota classification proposition and the general lack of co-operation throughout the field.

THE SOUTH.

—The Dutchess Fire is entering Texas. Gilbert Hay of Waco has been appointed general agent.

—The Eagle Fire has applied for admission to Virginia. This State, together with North and South Carolina, will be under the supervision of the American Agency Company of Baltimore.

—W. S. Nash, manager of the insurance department of the Greensboro Loan and Trust of Greensboro, N. C., has been appointed general agent of the Walla Walla Fire for North and South Carolina.

—The companies that paid a Texas franchise tax in 1905, before this tax was repealed, are to be refunded. The payment of the refund was recently commenced, and the total amount involved is $21,555, scattered among ninety-two companies.

—The West Virginia Association of Local Fire Insurance Agents has elected the following officers: President, Charles B. Alexander, Clarksburg; vice-president, W. S. Foose, Wheeling; secretary, J. M. Henderson, Wheeling; treasurer, Gilmer Weston, Clarksburg.

THE PACIFIC COAST.

Pacific Coast Notes.

H. H. Smith has just returned from England, having secured the exclusive management of the Pacific Coast for the Law, Union and Crown.

The Star Fire of Louisville has been admitted to California. The Star will be managed by the John F. Clayton Agency.

The San Francisco Brokers Exchange has a membership of nearly five hundred. The primary object of the organization was to thin out the small fry, but the small fry have taken kindly to the Exchange, and have put up the entrance fee. The association seems to be of no special benefit. There seems to be considerable dissatisfaction among the members, as the Exchange is looked upon as a poor investment.

The Commonwealth of Texas and the Walla Walla Fire have applied for licenses to do business in California. H. B. M.

San Francisco, September 12.

MISCELLANEOUS FIRE NEWS.

Colonel Cunningham on Dried Apples.

Colonel John L. Cunningham, president of the Glens Falls Fire Insurance Company, is not only the executive head of one of the most prosperous companies in the country, but he is also an eloquent and forceful speaker. He is a good listener, and at meetings of fire underwriters generally sits quiet and absorbs what others say until the time comes for him to have his say, and then he presents his subject in such a logical, practical and forceful manner that the honors of the discussion are accorded him. He is a genial and pleasing after-dinner speaker, embalming sparkling wit in the body of statistical or historical facts to the delight and entertainment of his hearers. It is impossible by mere description to convey a just idea of the charm of his eloquence, much of which lies in the quiet manner of its delivery. He served with distinction during the Civil War, receiving two brevets for gallantry on trying occasions.

Under his management the Glens Falls has prospered prodigiously, as is shown by the fact that in 1906, upon a capital of $200,000, dividends to the amount of $180,000 were declared, exceeding by some $60,000 the largest dividend paid by the company. So enterprising has been its management and so popular the company that its total income last year was nearly $2,000,000. Instead of increasing its capital the policy of the company has been to add to its surplus, with the result that on January 1, 1906, the surplus was $2,600,000; the book value of its stock was $1397, and the market value was $1510 per share. A gentleman complimenting Colonel Cunningham one day on the steady growth of the company, he replied about as follows:

"Yes, the Glens Falls has been highly prosperous, and its growth and financial improvement have been extremely satisfactory. In 1849 some of our people concluded to start an insurance company and they began as a mutual, but they changed it to a stock company in 1864 with $200,000 capital, putting $100,000 into the pot. The pot

has simmered and boiled, keeping the contents alive, till it swelled the paid-up capital to $200,000, and has spread out its protective arms to virtually every State in the Union. It reminds me of an incident that occurred during the Civil War. We were on a long march with our troops, the men were hungry—they always were—and food was scarce. One day one of the men while foraging became possessed of a bag of something, he did not know what, and brought it to company quarters for examination. The bag was found to contain dried apples, twenty or twenty-five pounds, which some of our Northern friends had sent down to be distributed by the Sanitary Commission. How the soldier got hold of it he declined to say, but his comrades had their suspicions. But they were not specially curious on that point, but unanimously agreed that they would have a feast of apple-sauce and hard-tack that night. So they emptied the bag into a camp kettle, poured in some water and set it to sizzling over the fire. Pretty soon the apples began to swell, and it was not long before the camp kettle was full to its greatest capacity. Then another camp kettle was found, and the overflow of dried apples was consigned to it. Both kettles were kept simmering, and it was not long before No. 1 was again overflowing, and No. 2 was strenuously emulating its example. Another camp kettle was pressed into service, and the three managed to contain the dried apples, which by this time had become apple-sauce, the comparatively small original package having swollen to many times its former bulk. It was a surprise to the soldiers, but a most agreeable one, for they had apple-sauce with their hard-tack for three days, besides sharing with some of the other boys on the route.

"So that little nest-egg of $100,000 put into the Glens Falls company in 1864 has swollen and expanded into magnificent proportions, and the original investment has been repaid in dividends many times over. But the best of it all is that the company, by its businesslike methods, honest dealing with the public, and the prompt payment of claims has gained for it such popularity that its premium income increases year by year. The story of the package of dried apples well typifies the development of the 'Old and Tried' Glens Falls, which their German friends call 'the Old and Dried.'"

—W. L. W. Miller is assistant manager of the Pacific Coast branch of the Western of Toronto, recently established under the management of J. J. Kenny.

—Owing to the inadequate fire protection in the congested districts of Montreal several large fire insurance companies are reported as having reduced their lines therein.

—Geo. W. Dornin and John C. Dornin, sons of the late Geo. D. Dornin, have been appointed manager and assistant manager, respectively, of the Pacific Coast department of the Springfield Fire and Marine.

ACKNOWLEDGMENTS.

—The Iowa Insurance Report, Volume II., covering life insurance in 1906.

—The first annual report of the Commissioner of Insurance of Virginia, Part I., covering the condition and business of all fire and marine companies operating in that State as of December 31, 1906.

—Thirty-seventh annual report of the Commissioner of Insurance of Michigan, Part I., covering the business and standing of all fire and marine insurance companies operating in that State for the year ended December 31, 1907.

—Thirty-eighth annual report, Volume I., of the Auditor of State of Iowa, covering the financial condition and business transactions of all fire and marine insurance companies operating in that State as of December 31, 1906.

—Fire Insurance by States from 1860 to 1906, published by The Underwriter Printing and Publishing Company of New York. The work gives the record of business transacted in each of the States and Territories of the United States and the Dominion of Canada by joint stock fire insurance companies in 1906, and the aggregate business for twenty-six years. The items shown are fire risks written, fire premiums received, fire losses paid and fire losses incurred, together with the percentages of losses to premiums.

—Auditor Billheimer of Indiana has notified trust companies that they will not be permitted to write general surety and fiduciary bonds. The law permits them to become surety for a guardian, executor, administrator, assignee, receiver or other trustee or public officer or agent or servant or employee of any person, firm or corporation. It appears that some of the companies have been issuing bonds of various other kinds, and the auditor says that such general bonds as have been given by companies referred to are necessarily void and furnish no guarantee.

Marine and Inland Insurance in the United States in 1906.

In the following table will be found data indicating the extent of the marine and inland insurance transactions in the United States in 1906 of the respective companies writing that class of business:

Name and Location of Company.	Net Premiums Written.	Losses Incurred.	Ratio of Losses to Premiums.	Risks in Force Dec. 31.	Unearned Premiums, Dec. 31.
	$	$		$	$
Ætna, Hartford	398,836	215,919	54.1	16,070,787	139,236
Alliance, Berlin	42,078	84,203	200.1	......	......
Alliance, Philadelphia	100,788	64,106	63.6	1,983,582	43,259
American and Foreign Marine, N. Y.	166,850	44,456	26.6	2,855,447	28,903
Atlantic Mutual Marine, New York	2,910,462	*1,022,020	35.1	84,917,337	690,719
Australian Alliance, Melbourne	38,934	17,094	43.9	......	......
Austrian Phœnix, Vienna	17,074	57,082	334.3	......	......
Bluff City, Memphis	2,815	84	2.9	......	......
Boston, Boston	1,356,664	709,753	52.3	28,211,323	527,877
British America, Toronto	187,564	233,518	124.5	2,826,898	44,161
British and Foreign Marine, Liverpool	774,800	*217,197	28.0	13,828,261	170,197
California, San Francisco	30,427	*6,723	22.1	......	......
Canton, Hong Kong	79,983	64,135	80.0	......	......
China Mutual, Boston	302,865	313,236	103.4	9,604,403	142,696
China Traders, Hong Kong	3,137	1,327	42.3	......	......
Citizens, St. Louis	74	......	....	......	......
Columbia, Jersey City	209,942	101,777	48.4	4,252,786	99,499
Commercial Union, London	158,831	93,857	59.1	5,167,726	48,091
Detroit Fire and Marine, Detroit	73,040	51,939	71.2	997,048	20,140
Equitable Fire and Marine, Providence	21,201	14,957	70.6	233,206	8,025
Eureka Fire and Marine, Cincinnati	744	*62	8.3	6,800	425
Federal, Jersey City	820,165	442,128	53.9	58,826,886	155,053
Firemens Fund Ins. Corp., San Fran.	800,038	361,374	45.1	26,067,478	260,175
Firemans Fund, San Francisco	255,198	189,397	74.2	......	......
Fonciere, Paris	25,741	*45,003	170.8	......	......
General, Dresden	210,749	*119,099	56.4	3,274,957	20,100
Gloucester Mutual, Gloucester	46,605	42,091	90.3	......	......
Hernando, Memphis	3,083	59	1.9	......	......
Hibernia, New Orleans	301	......	....	......	......
Home, New York	240,365	177,972	74.0	10,809,016	180,953
Home Fire and Marine, San Francisco	15,349	18,067	117.7	106,448	3,863
Indemnity Mutual Marine, London	383,614	*137,423	35.8	8,048,735	101,635
Ins. Co. of No. America, Philadelphia	1,886,241	1,371,068	72.7	74,257,598	377,651
Jefferson, Philadelphia	4,248	......	...	194,311	2,124
London, London	390,777	181,635	46.4	11,884,820	123,721
London and Provincial, London	12,475	*16,159	129.5	......	......
Louisville, Louisville	1,306	28	2.1	......	......
Lumbermens, Norfolk	18,793	14,904	79.3	......	564
Mannheim, Mannheim	720,995	*370,866	51.4	20,048,285	157,065
Man On, Hong Kong	1,545	*800	51.7	......	......
Marine, London	786,047	273,527	34.7	13,881,796	97,981
Maritime, Liverpool	48,899	33,297	68.0	......	......
Mechanics and Traders, New Orleans	5,437	1,475	27.1	......	......
Merchants, Bangor	83,582	62,153	74.3	664,865	49,752
Merchants and Manuf'rs, Cincinnati	121	......	....	......	......
New Zealand, Auckland,	41,808	53,143	127.1	518,448	14,042
Nord Deutsche, Hamburg	16,363	17,347	105.9	......	......
North China, Shanghai	21,884	35,788	163.5	......	......
Northwestern National, Milwaukee	2,587	......	....	......	......
Ocean Marine, London	163,489	*114,652	70.1	2,761,701	28,353
Phœnix Fire and Marine, Memphis	1,984	......	....	......	......
Providence Washington, Providence	317,354	195,974	61.7	4,185,507	83,514
Prussian National, Stettin	......	2,260	....	......	......
Reliance Marine, Liverpool	177,176	*106,913	60.3	2,838,088	29,066
St. Paul Fire and Marine, St. Paul	469,379	281,852	60.0	3,228,509	58,659
Sea, Liverpool	625,535	*235,890	37.7	23,200,578	116,777
Security, Cincinnati	414	......	....	6,500	......
Security, New Haven	16,226	14,994	92.4	212,070	5,485
Southern, New Orleans	2,055	493	24.0	......	......
Standard Marine, Liverpool	739,979	*504,010	68.1	20,292,845	105,285
Stonewall, Mobile	5,924	6	.1	......	......
Sun, New Orleans	19,731	3,655	18.5	......	......
Swiss Marine (Combined)	198,122	*142,596	71.9	......	......
Switzerland General, Zurich	241,182	*121,953	50.5	2,920,474	29,264
Teutonia, New Orleans	22,689	4,708	20.7	......	......
Thames and Mersey, Liverpool	538,342	*220,252	40.9	7,903,095	94,956
Union, Bangor	110,567	93,658	84.7	......	......
Union Marine, Liverpool	540,188	*297,044	55.0	7,838,470	82,571
United States Lloyds, New York	851,471	*613,406	72.0	59,627,730	472,283
Universo Marine, Milan	11,317	*17,207	152.1	......	......
Upper Rhine, Mannheim	36,295	*61,433	169.3	......	......
Western, Toronto	386,086	387,284	100.0	5,487,267	72,261
Wilhelma, Magdeburg	19,241	*7,141	37.1	......	......
World Marine	4,122	*8,485	205.8	......	......
Yang Tsze, Shanghai	45,814	*37,573	82.0	......	......
Totals	19,264,123	10,751,687	55.8	540,042,081	4,516,184

* Losses paid.

Annuity Business Not Profitable.

According to reports filed with the Wisconsin Department, the companies writing annuity business did not make much out of this line. The loss ratio was 105 per cent on the business of 1906, and most companies paid out less than they expected. While a few companies which wrote few annuities had loss ratios of 300 and 400 per cent, the few companies writing a substantial amount of annuity business show the following loss ratios: Northwestern Mutual, 125 per cent; Germania, 116; Home, 133; Metropolitan, 205; Mutual Benefit, 116; National of Vermont, 122; New York, 112; Penn Mutual, 122; Prudential, 107; Travelers, 138, and Union Central, 115.

Casualty, Surety and Miscellaneous

Liability Fellowship.

It is not long since we were entertained with interesting accounts of the doings at Frontenac of the accident underwriters, where some serious business propositions were discussed and remedies suggested. We can hardly believe that the condition of this particular line of business is such as to warrant a long journey of so many prominent underwriters unless we incline to the conclusion that the summer vacation time is come and the managers take a "combination policy" of work and pleasure.

With the growing volume of liability premiums, the relative importance of that class of insurance becomes far greater than the accident and health, and, when we take into consideration the long deferred losses, the uncertainty of the law, the possible change of the existing statutes governing the relation of master and servant, between the issuance of the policy and the payment of the loss, we see at once that we have no trifling matter to handle, but a very serious and dangerous problem that requires knowledge, patience and considerable practical experience if the results are to be of the best. We do not say whether the best results will prove to be profitable, but we have no hesitation in saying that there will be a loss which may ruu into thousands of dollars unless the liability business is handled by experienced heads.

There is in existence a bureau for the accumulation of the experience of the companies subscribing thereto, and the dissemination of the results, but such knowledge docs not penctrate outside the few who admit the wisdom of comparing experience, nor does it have the slightest weight with those outside larger companies who have been running a competitive race for volume for several years without stopping to consider the results of their underwriting up to the present time.

It is generally conceded that, owing to the powerful competition of large companies and the efforts of a number of small ones to place business on their books, the conservative element have little or no chance of doing what they know to be right and necessary in the matter of rates, while in the smaller offices, where the underwriter is usually an enterprising man taken from another company, the difficulty of securing a respectable income at anything like rates that are necessary to show a profit, are almost insurmountable.

A large gathering of gentlemen, representing possibly all the companies doing a liability business, met at the Manhattan in April last, but, beyond expressions of good fellowship, little practical benefit resulted from such meeting. And yet the interests involved were sufficiently large to justify less time to fellowship and much atention to the problems of liability insurance.

It is not too much to suggest that unless effectual steps be taken, and at once, the general casualty lines will be overshadowed by the rapidly increasing volume of liability risks, and failure in the latter may be sufficiently serious to involve all the casualty companies doing both classes of insurance.

There is plenty of material awaiting expert treatment by the meu at the head of the liability business. The life companies, while actively in competition for new risks, have a uniform system of bringing the facts relating to their experience together. It is time that the liability companies agree upon some uniform card system, bringing out all the facts necessary to a proper understanding of the risk, instead of leaving each company to follow an independent method, only to find when the whole of the story is required that the parts have been made upon varying scales.

It has been suggested that results in liability underwriting are largely dependent upon the local manager, agent or broker, and that some accounts are transferred from one company to another as each one finds the experience unsatisfactory, and an attempt to raise the rates results in the business goiug elsewhere, where the same process is repeated until the patience of each company is exhausted. It would be well for the underwriters to give some thought to this point.

One of the industries that have developed into importance during the past few years is that of reinforced concrete building, and, as the process is unlike any hazard rated in the manual, a tentative rate is made until sufficient experience can be obtained. Would it not be well to have it generally known that the experience thus far justifies certain rates, and thus prevents the companies going blindly?

It was suggested at the fellowship meeting that the "loading" and unloading hazard needed attention, and, seriously, this appears to be the fact.

It is not unusual for the younger and smaller companies to plead the action of the stronger as justification for the rates obtained. It is urged that, as the company named makes money on their underwriting, why not another. The mistake arises in the supposition that money has been made at all. Those in a position to know are very doubtful on the point, but are not willing to stop in the race to find out.

The last few years have seen a marked advance in the price of labor, and, as the unit of wage is taken as the unit of risk, it is evident that the companies have profited to the extent of the increase by larger premium receipts without any appreciable additional risk. On the contrary, if wages were to revert at once to the basis of ten years ago, not only would the premium be reduced, but the amount of risk remain constant, for low wages and much litigation go together. At present, therefore, the companies are doubly benefited by the high price of labor, so far as it affects the premiums and tendency to litigate.

There is one point, in conclusion, that may be worthy of passing attention which refers to the present limits of the policy. In the early days of liability underwriting the limit of the company's risk was $1500, and if suit were brought and judgment recovered for more than $1500 the company would charge only the amount actually paid as the cost of the suit. Thus the average of about $600 per suit required by Massachusetts, New York and other State Departments is not adequate now that the $1500 is largely discontinued. Further, the present disposition of some companies to issue policies with individual limits of $10,000 or more for one person, and, as the premium is increased for the additional limit, so also should the average cost per suit be increased.

"In time of peace prepare for war," and this is true of the "peace" that now prevails in liability circles, and we should welcome any fellowship that tended to better the conditions of the strong and protected the younger companies in carrying on an honorable business.

Workmen's Compensation in Great Britain.

[From Our London Correspondent.]

I dealt somewhat fully in my last letter with the rush of business under the new workmen's compensation act. This is now slowly subsiding, although business may still be described as brisk. Interest is, however, tending to become diverted to the claims department. Prior to the act coming into force several companies issued policies as from the date of the proposal covering the risk upon the basis of the act, and "as if the act were already in force," and one office received before July 1 no less than four "fatal" claims in connection with domestic servants' insurance. A cook and a parlor maid were fatally burned owing to their clothing catching fire while engaged in their ordinary duties. A servant, cleaning windows, and a gardener, adjusting the windows of a greenhouse, met with fatal accidents. A claim for permanent disablement has been reported; in this case, a female domestic having fallen downstairs and received spinal injuries. A painter has fallen from a ladder, and the sum of £272 has been paid to his widow and child by the office covering the risk. Smaller claims for falls, cuts and gas explosions are numerous, and the offices are wisely taking a lenient view of matters and treating the public liberally, as the following instances will show. A lady in the country, holding a half-a-crown policy, whose servant had the misfortune to be dangerously injured, wrote the company with which she was insured, asking if they would be willing to defray the expenses of the servant's removal to London for the purpose of undergoing a surgical operation, which was impossible in a country town, and received a reply in the affirmative. A peer sent in a belated application for a policy, and in the meantime his gardener received a bad injury to one eye. Of this the company were informed, and the matter left in their hands, it being admitted that there was no legal claim. In view, however, of the fact that a genuine intention to insure had existed, the company consented to admit liability. This is a wise course, and, if persevered in, will give the offices a stronger hold than ever before upon the insuring public—many members of which rightly regard full protection as of the utmost importance, and, if this is assured, are not disposed to criticise too closely the rate of premium they are asked to pay. At present, of course, rates rule low. Later on there is little doubt they will, for many classes of risk, have to be increased, and to obtain the thorough good will of the public is clearly the first step in a right direction.

Adverting to the report of the departmental committee appointed to consider whether the postoffice should provide facilities for insurance under the workmen's compensation act—to which I briefly referred last month—there are two clauses therein referring to the relations existing between the insurance companies and the public, which are especially important at this time. They are as follows:

The evidence of the companies, coupled with that of the independent witnesses whom we bave heard, goes to show that there is keen competition among the companies for business and that the whole of the country is covered by the organization of the insurance offices, and confirms the

view that, broadly speaking, all classes are afforded the opportunity of readily effecting insurance with offices of good standing.

And:

There is, however, an undoubted tendency on the part of insurance offices, as there has been on the part of banks, toward amalgamation, and, as every amalgamation tends to make the starting of a fresh company more difficult, it is conceivable that the policy of active competition which now animates the insurance companies might alter to the detriment of the public. Accordingly, we recognize that with these or other changed circumstances (such as compulsory insurance or other legislative action) a State system of compensation insurance may prove desirable in the future.

The views thus expressed are suggestive at the present time, and indicate a possible danger to which it is to be feared insurance offices as a whole have not been sufficiently alive in the past. Now, however, it is to be hoped that, a warning note having been sounded, it will be taken seriously to heart in certain quarters. CHARTERS.

London, E. C.

Semi-Annual Statements of Casualty Insurance Companies.

Compiled from the semi-annual reports of casualty and miscellaneous companies licensed to transact business in the State of Georgia, for the six months ending June 30, 1907:

	Total Admitted Assets.	Liabilities, Including Capital.	Six Months, 1907.	
			Income.	Expenditures.
American Surety, New York....	$6,814,147	$4,163,324	$1,477,472	$1,240,828
American Bonding, Baltimore..	1,590,488	1,162,302	386,073	494,971
Continental Cas., Hammond, Ind.	1,768,373	1,496,367	1,235,320	1,184,344
Empire State Surety, N. Y.....	1,429,019	1,035,113	403,335	389,402
Employers Indemnity, Phila....	478,859	262,206	141,418	107,997
Employers Liability, London...	4,408,898	3,465,952	1,438,894	1,238,327
Fidelity and Casualty, N. Y....	7,737,777	6,208,032	3,544,896	3,272,690
Federal Casualty, Detroit.......	160,944	109,000	169,547	127,634
Fidelity and Deposit, Baltimore.	5,980,091	3,119,342	834,488	1,033,990
Frankfort Marine, Ac. & P. G..	1,475,444	1,275,444	534,414	490,146
General Accident, Philadelphia.	337,184	231,841	218,239	207,301
General Accident, Perth, Scot..	1,183,759	1,051,619	606,539	530,447
Great Eastern Cas., New York.	418,791	312,139	199,972	195,078
Guarantee Co. of N. Am., Mont'l	1,422,145	482,436	171,011	118,639
Hartford Steam Boiler..........	4,181,087	2,487,069	725,292	588,119
Lloyds Plate Glass..............	873,928	589,776	246,650	250,645
Lon. Guar. & Accid't, London.	2,197,040	1,815,279	803,855	764,463
Maryland Casualty, Baltimore..	4,094,214	3,046,283	1,427,155	1,304,885
Metropolitan Casualty, N. Y...	659,675	526,082	268,968	269,292
Metropolitan Surety, N. Y......	845,248	677,723	268,652	277,451
National Surety, New York....	2,199,593	1,692,067	834,654	698,566
National Casualty, Detroit......	162,771	116,341	218,015	218,809
New York Plate Glass, N. Y....	712,055	491,220	270,602	247,284
North Am. Accident, Chicago..	518,479	327,535	343,689	311,143
Ocean Accident & Guar., Lon.	3,160,558	1,908,187	1,151,859	996,476
Pennsylvania Casualty, Scranton	577,474	477,474	212,813	197,177
Preferred Accident, New York.	1,700,993	1,193,029	769,348	644,276
Standard Life & Acc., Detroit..	2,914,468	2,206,104	1,074,346	922,228
Thames and Mersey Marine....	684,620	583,326	446,311	452,485
Title Guar. & Surety, Scranton.	1,659,058	1,188,949	332,748	341,041
Union Health & Acc., Denver.	160,855	102,419	55,405	49,685
United American, Philadelphia.	151,339	131,022	30,089	35,346
United States Casualty, N. Y..	1,988,770	1,388,770	691,483	588,540
U. S. Fid. and Guar., Baltimore	3,746,533	3,354,663	1,282,171	1,283,556
U. S. Health & Acc., Saginaw.	645,184	421,348	430,791	407,460
United Surety, Baltimore.......	767,393	637,647	152,828	148,805

Nurses as Thieves.

Attention was recently called to the fact that there are women who pose as nurses—graduated or otherwise—who gain access to houses for the purpose of robbery. Physicians were quoted as saying that they knew of a number of such instances. The writer has personal knowledge of two such cases. In one instance a nurse was employed to care for a lady for several weeks. When the lady recovered sufficiently to resume charge of her household and the nurse had been dismissed, it was discovered that many articles were missing. Among them were various pieces of jewelry, silverware, bric-a-brac and numerous articles of female wearing apparel, the aggregate value of which ran up to several hundred dollars. The nurse was suspected, and a detective traced her to her lair, when it was discovered that her reputed husband was a well-known burglar, who did pocket picking as a side line. Acting in conjunction with his alleged wife, the stolen articles had been sold or pawned, so that no evidence to connect them with the robbery could be obtained, although some of the stolen articles were found in a pawnshop. In another case, a bright, healthy young woman was employed as a wet nurse, and was so innocent looking that she was not suspected of being responsible for the disappearance of numerous articles of value, especially of women's wearing apparel and jewelry. The police, however, were less credulous than her employers, and on investigation ascertained that the man with whom she lived and who was the reputed father of her child, had done the State service in prison, and was then living upon the earnings and loot of the nurse. In both these instances the nurses had secured recommendations from physicians, and one from a clergyman, and were trusted on that account. Not only are pawnshops ready to buy the plunder at a small price secured by these thieves, but there are dealers in clothing, little worn, that encourage thefts from inmates of dwellings. Second-hand garments for ladies' wear are dealt in exclusively by certain women, and find a ready sale among working girls, who covet, even at second hand, the fine dresses, etc., worn by their more fortunate sisters. The moral of these experiences is that certificates of respectability, even when given by physicians or clergymen, are not always to be trusted. A watchful supervision is the only way to be secure in the possession of one's accumulations. But there are insurance companies that will indemnify the rightful owner of stolen property for the value of the articles taken, and prudent housekeepers will protect themselves against burglars and sneak thieves by patronizing such companies.

Casualty Notes.

—H. A. Van Heyde has been appointed Connecticut manager for the American Assurance Company.

—The National Life and Accident has opened New Orleans, with J. D. Draper and C. S. Thomas as general agents.

—George C. Sterling of Sterling, French & Sterling, New York representatives of the Ætna Life, is seriously ill with typhoid fever.

—C. H. Pansing and J. R. Falconer have been appointed joint resident secretaries in St. Louis of the Frankfort Marine, Accident and Plate Glass.

The executive committee of the International Association of Accident Underwriters held a meeting on Tuesday of this week at the Hotel Jefferson, Richmond, Va.

—The London Guarantee and Accident has just been examined by the Colorado Department. According to report of the examiner the company has admitted assets of $2,102,191; liabilities, exclusive of statutory deposit, $1,527,038; surplus to policyholders, $575,153.

—Although the Ocean Accident carried considerable insurance on the work of the Phoenix Iron Company, which had the contract for the collapsed Quebec bridge, the company will suffer only a small portion of the total loss. It is said that the company can not lose more than $10,000 to $20,000.

—The Federal Health and Accident Company of Philadelphia has been chartered as a joint stock company to insure health at a rate of $10 per week and give $250 upon death. The capital is $25,000, at $10 per share, the officers being: Justice Cox, Jr., president; Edwin J. Walker, Sr., and Lewis W. Bittlng, vice-presidents; S. R. McDowell, treasurer, and James N. Randel, secretary.

—Currency was given recently to a rumor that Edwin W. De Leon, vice-president of the Casualty Company of America, was about to leave that company to become associated with another enterprise, reported to be in process of formation. Mr. De Leon informs us that there is not a particle of truth in the report, that he has no intention or desire to leave his present position, but is on hand as usual at the old stand and ready for business.

—Robert B. Armstrong having been recently elected to the presidency of the Philadelphia Casualty Company, is evidently determined to bring that company to the front as a business getter. To this end he is securing the services of the best men he can find in the business. Among recent accessories to his field force are: H. W. Tillinghast, F. S. Giles and Hugo Nettle. Mr. Tillinghast has had charge of the personal accident department for Philadelphia of the Casualty Company of America, and did an extensive business for that company. Mr. Giles had charge in New York of the plate-glass department of the Casualty Company of America for the United States, and Mr. Nettle was his assistant. They occupy similar positions with the Philadelphia, with headquarters in New York, at 16 Liberty street. It is announced that Mr. Armstrong has withdrawn the Philadelphia Casualty Company from the plate-glass compact, and will handle that business in his own way. Mr. Armstrong was formerly president of the Casualty Company of America, which position he resigned about a year ago.

Surety Notes.

—The Michigan Bonding Company of Detroit has been chartered and will write liquor bonds.

—The National Surety has written the bonds on all the United States sub-Treasury clerks, the line aggregating $425,000. The line has been carried by the Fidelity and Deposit. The National also wrote the re-

ceiver's bonds for the Pope Manufacturing Company and Pope Motor Power Company, aggregating $830,000..

—The annual meeting of the Board of Casualty and Surety Underwriters will be held on October 15 and 16.

—Sidney N. Moon has been selected as statistician of the New York Surety Company now being formed by J. J. Caullet.

—The Metropolitan Surety has been elected a member of the Surety Underwriters Association and is now a party to the reinsurance agreement.

—It is said that the Southern Surety Company of Denison, Tex., will soon invade New York, Pennsylvania, Colorado, Arizona and New Mexico.

—Clarence A. Storms, of the National Surety at St. Paul, has been appointed Minnesota manager for the fidelity and contract departments of the American Bonding.

—The Empire State Surety has paid into court $12,000, the amount of its bond for the Hanlon Construction Company of Cleveland, which abandoned the contract with the town of Ravenna for sewer building.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, $7; book only, $5; monthly supplement only, $2 per annum.

Assurances Generales, Paris, France.

Statement as of January 1, 1907: Assets, $6,663,140; capital, $400,000; reinsurance reserve, $788,000; credit balance, $49,347.

Atlanta-Birmingham Fire Insurance Company.
Prudential Fire Insurance Company.

Attorneys on behalf of Adolph Loeb & Son have filed a sweeping objection to all claims against the Atlanta Birmingham and Prudential Fire. Notice to all claimants expresses the hope that "as a result all parties may be able to get together and effect some satisfactory adjustment of the whole case." The Loebs represented both companies as general agents at Chicago prior to the receivership, and their intervention is based on their claim for return premiums.

Calgary Fire Insurance Company, Calgary, Alberta.

Eugene I. Wile of Chicago, United States representative of McLean, Stinson & Co., Toronto, is writing surplus lines for this company in this country.

Cosmopolitan Fire Insurance Company, New York.

The examination of this company by the New York Insurance Department shows that on May 31, 1907, it possessed assets of $753,118. There was a reinsurance reserve of $379,659, a loss reserve of $78,103, and total liabilities, except capital, of $457,763.

German Insurance Company, Freeport, Ill.

An order of court was entered by Judge Heard, in whose court the German of Freeport receivership was controlled, accepting the bid of the Royal of $2,150,000 for the assets in the hands of the receiver, the Chicago Title and Trust Company. This will allow the payment of 58 cents on the allowed claims, while $135,000 is set aside to pay the expenses of the receivership and the lawyers interested in the litigation. This carries with it the abandonment of the litigation begun by the receiver attacking the reinsurance of the business of the German of Freeport in the Royal, effected last November, and other suits along the same line begun by attorneys representing San Francisco loss claimants. It is understood that the matter will not be ready for final settlement and payment for a month, owing to complications growing out of the receivership of the German National, which was allied with the German of Freeport.

International Fire Insurance Company, New York.

Henry H. Brown, M. D., medical director of the Security Life of Chicago, has resigned to associate himself with Irwin Zimmerman in the organization of a new stock fire company to be known as the International Fire.

Metropole Insurance Company, Paris.

Statement as of January 1, 1907: Assets, $2,885,109, exclusive of $6,149,451 premiums on term policies to be collected in future years; capital, $1,600,000; reinsurance reserve, $295,214; contingent reserve, $65,000.

New Jersey Fire Insurance Company, Camden, N. J.

This company has discontinued business, and will liquidate without reinsuring its risks. It is believed that the capital is heavily impaired. The New Jersey Fire had written an enormous amount of business during the current year for a company of its size, and had experienced heavy losses. J. Ramsay Barry & Co., general agents of the company, have announced that all indorsements, etc., should be submitted to their office, and that they are further authorized, should the holders of any policies so desire, to accept the same for cancellation and pay the usual short rate return premium thereon. The New Jersey Fire commenced business in May, 1906, with $200,000 and $50,000 surplus, and when it started it reinsured the net business in force of the Security Fire of Baltimore. Its January 1, 1907, statement showed assets of $444,135; reinsurance reserve, $211,438; capital, $200,000; net cash surplus, $11,023. On January 28, 1907, the stockholders paid in additional surplus to the amount of $25,445.

The officers of the New Jersey Fire are: President, James McEvoy, Jr.; secretary, William H. Stoop. J. Ramsay Barry & Co. are the general agents.

Nord (Northern) Insurance Company, Paris, France.

Statement as of January 1, 1907: Assets, $7,996,281, including $6,362,521 of premiums on term policies to be collected in future years; capital, $400,000; statutory reserve, $80,000; contingent reserve, $137,774, and a credit balance of $98,380.

North German Fire Insurance Company, New York.

Nathaniel A. Elsberg, receiver of the above-named company, is sending notices to loss claimants denying liability for all kinds of reasons. A referee will be appointed to take evidence and adjudicate upon the claims disallowed by the receiver. In explanation of notices sent out to loss claimants, the receiver makes the following statement:

"Under the New York statute governing the winding up of an insolvent fire insurance corporation, the duty is in the first instance imposed upon the receiver of allowing or rejecting claims filed against the insolvent estate If he rejects a claim, the disputed claim then goes to a referee appointed by the court, and such referee fixes a time for hearing on the matter, takes proof, and then decides whether or not the disputed claim is a proper one in whole or in part.

"Under these circumstances, the duty of the receiver is, of course, to allow no claims to which any possible legal objections appear on the facts in his possession, but he must reject any such claims and permit the matter to go before the referee whose function it is to take proof and decide. That is the speedy and the only proper way to treat claims filed, and in that way alone can legitimate claimants be protected and improper claims prevented from sharing in any payment of dividends."

Ohio Canners Mutual Fire Insurance Company, Columbus, O.

The organization of the Ohio Canners Mutual Fire of Columbus has been completed by the election of the following officers: President, A. O. Glock; vice-president, J. C. Warvel; treasurer, I. R. Waters; secretary, F. H. Ellsworth.

Phoenix Insurance Company of Arizona.

A new company, with Pasadena (Cal.) capital back of it, is being organized to write surplus lines. It is to be called the Phœnix, and organized under the laws of Arizona, with a capital stock of $100,000. N. T. Horton of Pasadena has made application for a California license to write surplus lines, and will represent the company, controlling the State of California.

Phenix Insurance Company, Paris, France.

Statement as of January 1, 1907: Assets, $6,424,020; capital, $800,000; capital reserve, $1,479,256; contingent reserve, $1,220,000; special reserve, $200,000; unpaid dividends, $16,240; credit balance, $749,934.

Traders Fire Insurance Company, Chicago, Ill.

The State Bank of Chicago, the receiver for this company, has filed in court for approval return premium claims amounting to $863,612, and represented by 25,000 separate claims, of which $797,628 have been allowed by the court, the remainder to become approved claims on the expiration of the legal period. Fire loss claims have been filed amounting to $3,428,865 in 1700 separate claims, of which $3,359,191 have been allowed. General claims have been filed for merchandise, rent, agency balances, etc., amounting to $49,977, and about $250,000 of return premium claims and reinsurance accounts amounting to over $1,000,000, are yet to be filed, the latter being delayed by garnishments secured by a loss claimant in San Francisco. There are 150,000 claimants scattered all over the United States, Hawaii and Canada, and the detail of handling and approving the accounts and issuing the checks under the direction of the court involves an immense amount of detail. The total number of claims is 30,000, many agents representing hundreds of policies, and checks for the first dividend of 50 per cent on over 150,000 approved claims have already been sent out.

Western Canada Fire Insurance Company, Calgary, Alberta

This company is writing surplus lines in the United States through Eugene I. Wile, Chicago, representative of McLean, Stinson & Co., Toronto.

The Insurance Year Book.

Insurance publishers turn out many printed pages of one kind and another in the course of a year. It is probably fair to say that some of the periodicals, books, papers, etc., amount to little more than a spoiling of good white paper—not in large quantities, for the editions are small. The Insurance Year Book, published by The Spectator Company, New York, however, belongs to the class of indispensable insurance publications. Nothing better, nothing so good, has ever been manufactured by anybody except The Spectator Company itself, which manages, year by year, to surpass its previous records in the preparation of this valuable annual. Long ago the book grew to such size that a division into two volumes was necessary, one covering life, casualty and miscellaneous insurances, and the other fire and marine insurances. There is not an insurance man in the country who is not familiar with The Year Book or who does not use it every little while. It is a credit to the business that it represents and a monument to the enterprise and ability of its publishers.—The Insurance Press.

The Insurance Year Book, 1907; Fire and Marine—Life, Casualty and Miscellaneous, thirty-fifth annual issue, $6 each. The Spectator Company, New York city.

These two familiar red and blue volumes are indispensable and invaluable adjuncts to every insurance office. They constitute a veritable mine of information, and are as complete, accurate and reliable as painstaking industry can make them.—The Vindicator.

The thirty-fifth annual issue of The Insurance Year Book has just been completed by The Spectator Company and is ready for distribution. This book consists of two volumes, one covering fire and marine insurance, the other devoted to life, casualty and miscellaneous lines. Each volume contains more than 1000 pages.—The Insurance Herald.

THE SPECTATOR:

THE SPECTATOR, *established in 1868, is a weekly journal devoted to promoting the best interests of trustworthy insurance of all kinds. The subscription price for the United States, Canada and Mexico is Four Dollars per annum, postage prepaid. To all foreign countries in the Postal Union, Five Dollars per annum.*

THE SPECTATOR *has a larger circulation than any other insurance journal—and carries no "deadhead" subscriptions.*

THE SPECTATOR COMPANY, PUBLISHERS.

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IN THE SPECTATOR of September 12 editorial comment was made on the decadence of the Ancient Order of United Workmen, including therein a copy of a letter written by the Grand Recorder of the Michigan Grand Lodge, in response to an inquiry as to the payment of a death claim. The Grand Recorder admitted that the Michigan Grand Lodge was in such a bad way that it would go into the hands of a receiver in October, and under the most favorable conditions the claimant could not expect to receive more than fifty per cent of the claim. The Missouri Grand Lodge seems to be in but little better condition than that of Michigan. A correspondent addresses us the following communication:

[TO THE EDITOR OF THE SPECTATOR.]

Can you give information in regard to the affairs of A. O. U. W. in Missouri? I have been paying on a $2000 policy with them since 1900, and last year the assessments, with extras, amounted to $123. Since 1900 have paid $514, the August assessment was $12.90. This policy is on life of my father, and his age is sixty-five. A number tell me that they think it is paying out a lot of good money for nothing, as the order cannot last much longer. Have written to the secretary of A. O. U. W. in Missouri, but received no information. Would like very much to have information, also sample copy of THE SPECTATOR. Thanking you in advance, and enclosing stamp for reply, I remain yours truly,

Victor, Col., September 7. LESTER ALLISON.

The report of the Superintendent of Insurance for Missouri shows that on the first of January last the Grand Lodge of that State had assets amounting to $67,931 and liabilities for death claims aggregating $210,000. These were divided into claims due and unpaid, $143,000; claims resisted, $9000; claims reported but not adjusted, $58,000. In 1902 the lodge had insurance in force amounting to $39,254,000, and at the close of 1906 this had dwindled to $15,935,500. These figures indicate that the Missouri branch of the A. O. U. W. is progressing rapidly towards the vanishing point, and that when a receiver is finally appointed to wind it up he will find little to receive and less with which to pay death losses. The Missouri lodge is afflicted with the same microbe that is eating the life out of all fraternal and assessment organizations, viz., an increasing death rate. In 1902 the death rate of the Missouri lodge was 17.3 per 1000 certificates in force, while in 1906 the ratio had mounted to 28.7. Assessments had to be increased and even multiplied to pay the claims for the increasing number of deaths, and as the cost was increased many members became disgusted and withdrew, the membership falling off from 22,651 in 1902 to 9642 in 1906. The persistent members—those who were too old or decrepit to obtain insurance in trustworthy companies—had to bear the burden, and this burden will be subject to natural increase as the death rate continues to mount. Our correspondent can decide for himself which class he prefers to be included in, the "claims due and unpaid" or "claims resisted." Michigan and Missouri Grand Lodges are not the only branches of A. O. U. W. that are slowly but surely dying out. The assessment plan upon which they are founded is false and misleading, and disaster must inevitably overtake every organization operating under it, whether it is called a fraternal society or a plain go-as-you-please commercial assessment company.

IN the address on the "Future of American Life Insurance" before the National Convention of Insurance Commissioners last week, President Darwin P. Kingsley of the New York Life put some plain truths before the public which should be heeded by all who have to do with legislation. He referred to the dangers which have arisen through a tendency to look upon insurance as of local interest rather than national, and instanced a number of laws as being restrictive, radical, some revolutionary and some dangerous. The provision of the New York law restricting the surplus that a life insurance company may hold he showed to be unsound in principle and its present application a serious menace. It is fortunate for the companies that the example of New York has not been followed in this particular statute, and the events of the present year have shown that it should be promptly repealed. Taxation was also reviewed in the address and the hope expressed that some uniform scale would be adopted. As to the limitation of the business of a life insurance company, Mr. Kingsley argued that such legislation is economically unsound, and is directly opposed to the principle that competition is the proper regulating force in business. On the whole, he looked forward to the future with optimism, for while faults have developed in the practice of the business, they have been eradicated, and life insurance will go forward because every factor of modern civilization demands it.

IN Texas they are having considerable trouble with some newly-organized life insurance companies that are seeking to do business on the "Board Policy" plan, which is there designated as the "Agency Company" scheme. It is worked on the same plan that has been followed in several Northern States, where it has been denounced and prohibited by law. So active have been these promoters that they have attracted the attention of The Texas Banker, which devotes several pages of a recent issue to warning bankers against them. Financial men, because of their standing in the community, are

especially sought out by promoters of these schemes, who offer to put them on the "Advisory Board" of the company, and to guarantee them a certain percentage of the premiums on all insurance written in their localities. The banker readily swallows the large estimates of profit the agent shows will be his, or if he does not swallow them wholly, he thinks even 50 or 25 per cent of the estimate is a good thing. As a consequence, the agent gets his application and a very laudatory letter, generally dictated by the agent. Armed with this letter, the agent is able to secure such others as he wishes for his Board scheme, and also catch the smaller fry for his regular policies. Insurance Commissioner Milner has warned the public against these "Board Policies" and "Special Agency Contracts," denouncing them as specious because impossible of fulfillment. Among other things he says:

In the light of reason and justice any system of insurance that discriminates in favor of the wealthier class of citizens, guaranteeing them emoluments at the expense of the poorer class, will and ought to fail. This system of insurance dreads publicity, as all evil fears light. Highwaymen planning to rob a train or a bank would rather keep their plans from the public.

Vice-President Bailey of the Fort Worth Life Insurance Company has written to The Texas Banker a lengthy communication in which he denounces the fallacy and dishonesty of the schemes mentioned.

At the annual meeting of the Western Union, held last week, an open rupture was diplomatically averted by the appointment of a committee of fifteen, which embraced chiefly members who had been deemed responsible, in one way or another, for the unsatisfactory conditions which have of late prevailed in some parts of the territory governed by The Union. This permitted the thorough threshing out, in private, of the principal grievances, and was followed by the appointment of a committee of five, which latter is to investigate the existing conditions and report to a special meeting within ninety days, particularly as to the legal rights of members in certain States. Thus another period of stress has been tided over. The special meeting will probably be an interesting session.

TEN YEARS OF FIRE AND MARINE INSURANCE.

The following computation of business transacted by all the fire, fire-marine and marine insurance companies operating in the United States during the decade ended December 31, 1906, together with that of all mutual fire insurance companies possessing individual cash assets of $15,000 or upward, shows that the net premiums received during the period named amounted to $2,159,131,417 and the total income aggregated $2,374,922,347. The excess of income over disbursements for the ten-year period was $162,027,970, of which amount $39,250,386 went to augment the net surplus and the remainder—after allowing for depreciation of securities, etc.—was offset by the growth in liabilities.

The number of stock companies transacting business in the United States during 1906 was twenty in excess of the number operating in 1896; the aggregate capital invested showing an increase of $14,009,222. As will be seen by the accompanying table the number of mutual companies also increased from 222 to 257. An increase in total assets of $187,556,319, and an increase in net surplus of $39,250,386 are shown, the ratio of increase being, respectively, 52.01 per cent and 29.22 per cent. The ratio of losses paid to net premiums in 1896 was 52.49 per cent; in 1905, 46.21 per cent, and in 1906, 92.90 per cent, showing an increase in 1906 of 40.41 per cent as compared with 1896, and an increase of 46.69 per cent in comparison with the aggregate loss ratio of 1905. This immense average increase of 43.55 per cent in the losses paid to premiums received in 1906 over those of 1896 and 1905 was caused by the unprecedented loss suffered by the American and foreign stock fire insurance companies through the San Francisco conflagration in April, 1906. During the ten-year period, as will be seen in the accompanying table, the losses paid soared from $83,355,538 in 1896 to $276,732,270 in 1906, a difference of $193,376,732, or an increase of 231.09 per cent.

In addition to the business transacted by stock and mutual fire insurance companies in 1906, thirty-five Lloyds and individual underwriters filed reports with the New York State Insurance Department showing their respective condition and business as of December 31, 1906. The following figures rep-

TEN YEARS OF FIRE AND MARINE INSURANCE.

(Compiled from The Insurance Year Book.)

Year	Number of Stock Companies.	Number of Mutual Companies.†	Total Number of Companies.¶	Capital.‡	Total Assets, Except Premium Notes of Mutual Companies.	Net Surplus	Net Premiums.	Total Income.	Paid for Losses.	Paid for Dividends.*	Expenses Other than Losses and Dividends.	Total Disbursements.
				$	$	$	$	$	$	$	$	$
1897	324	206	530	72,201,341	387,695,997	154,580,283	161,759,735	176,777,321	79,453,074	15,173,654	56,158,297	150,785,025
1898	321	183	504	73,090,810	400,677,016	164,208,653	161,874,238	178,509,080	90,175,659	15,668,437	59,507,929	165,352,025
1899	315	160	475	72,498.389	400,578,034	157,267,877	165,364,412	184,142,217	106,726,658	15,935,073	61,654,771	184,316,502
1900	321	172	493	73,150,875	413,027,067	162,657,699	182,130,774	198,312,577	108,307,171	16,029,429	65,861,081	190,247,581
1901	303	179	482	69,930,423	450,566,078	162,083,426	199,800,505	216,452,381	112,007,219	16,333,011	70,756,489	199,096,719
1902	311	178	489	70,537,743	451,010,545	171,300,162	224,076,129	242,819,167	113,147,727	17,737,444	74,499,597	205,384,768
1903	324	202	526	72,989,977	479,143,861	184,786,766	238,696,493	258,658,915	112,818,928	19,700,334	80,602,977	213,122,239
1904	303	212	515	72,068,831	496,446,878	187,060,987	257,178,735	278,669,500	150,955,197	21,429,312	87,138,176	259,522,685
1905	326	234	560	76,128,021	544,182,285	211,544,991	270,387,167	292,995,316	124,924,532	22,876,905	93,309,884	241,111,321
1906	339	257	596	84,290,590	547,608,946	173,578,121	297,863,229	346,585,873	276,732,270	23,710,528	103,562,714	404,005,512
Totals—10 years	§318	§198	§516	§73,688,700	§457,093,670	§172,906,896	2,159,131,417	2,374,922,347	1,275,248,435	184,594,027	753,051,915	2,212,894,377
1896	319	222	541	70,281,368	360,052,627	134,327,735	158,819,388	172,945,625	83,355,538	13,579,371	54,486,704	151,421,613
Increase (+) or Decrease (—) in 10 Years	+20	+35	+55	+14,009,222	+187,556,319	+39,250,386	+139,043,841	+173,630,248	+193,376,732	+10,131,157	+49,076,010	+252,583,899
Per Cent of Inc. (+) or Dec. (—)	+6 27	+15.76	+10.16	+19 92	+52.01	+29.22	+87.53	+100.04	+231.09	+74.65	+90.07	+166.09

* Includes amount returned to policyholders, as dividends, by mutual companies. † Includes only mutual companies having $15,000 or upward of cash assets. ‡ "Deposit capital" of foreign companies not included. § Average. ¶ Excluding Lloyds.

resent the aggregate items reported by these associations: Total assets, $6,722,167; net surplus, $3,364,449; net premiums, $3,175,664; total income, $3,637,254; losses paid, $1,441,353; paid for dividends, $501,161; expenses, $935,325, and total disbursements, $2,877,839. The aggregate loss and expense ratios were 45.39 per cent and 29.46 per cent respectively.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

The evening paper bulletin boards on Monday morning created quite a small panic among the companies with their flaring headlines referring to the wholesale grocery warehouse fire at Greenwich and Beach streets. The beginning of the fire was quite furious, and the four alarms tended to scare a few easily frightened underwriters, who were only consoled by the wet condition of all external exposures caused by the rain. Their panic soon subsided.

The proposed resolution to fine the absentees from the Board meetings was decided to be in the nature of a by-law, and was offered and laid over at the meeting last week. It is now coupled with another by-law, to restore the $1 fee for prompt attendance, and the proposition thus amended will be acted upon at the regular session in October. A number of members who assisted in defeating the last part of the proposal are now in favor of it; and as there is no serious opposition to the penalty clause, it would seem that the two proposals united ought to be adopted without a count. The necessity of eliminating substitute representatives for the enrolled members in the answers to the roll call is generally admitted, but no positive proposal to that end has been offered.

The published stories of the intended withdrawal of an English company seems to be based upon a secondary report that the assistant manager of one company is seeking another connection. There are several assistant managers whom this story might fit, but, so far as we can learn, their companies are fixtures. It is easy to start a rumor of this kind and, in the absence of particulars, apply it to any one of a half dozen companies.

The question agitating a brokerage office just now is whether a transfer to a new location, covering pro rata in both old and new, should be made upon a regular fifteen-day binder; and if so made and not extended, does the binder lapse at expiration and leave the policies in the condition they were before any binder was signed? The application of the anxiety is to a loss where a loss in the old location occurred about forty-eight hours after the fifteen-day limit expired.

We are informed that the fire insurance on the Sound steamers, which used to be carried by the local agents in Boston, is now almost wholly carried in the London Lloyds through the correspondents of a Boston broker. The business of insuring steamboat property fire risks has completely changed in the last ten years, and is now practically a monopoly of a dozen offices.

Several officers and managers of companies, who attended the sessions of the Western Union at Frontenac last week, returned on Saturday and, although they admitted a stormy time was expected, laughed at the predictions of possible disruption. One of them said they had a much more harmonious time than usual, but the reference of several knotty problems to a special committee to report to another full meeting of The Union within ninety days, still leaves some sore spots uncovered. On the whole, the prospect of a long life to the Western Union is as good now as at any time in the last fifteen years.

As expected, there is a strong pressure from suburban builders, architects and real estate men against the projected extension of the fire limits to the outermost boundaries of New York and Brooklyn. From their standpoint, wooden buildings are all right, and these persons see no reason why they should be deprived of the right to erect any kind of an old frame structure which has been heretofore enjoyed by their neighbors. The danger of fire from frame tenements they deny; and if the underwriters succeed in their desire to extend the limits, it will be a miracle, especially as it is on the eve of an election, in which the laboring men exercise their power. Already word has come from the Bronx that it is political suicide for any public man to favor the project.

The disingenuous reply of the receiver of the North German Fire of New York to the complaints of unfairness in rejecting claims for return premiums does not satisfy the owners of rejected claims. The suggestion of what the law demands fails to touch the keynote of the objection, which is the excessive stretch of authority to pick flaws in dealing with the claims. It is understood, however, that the prospect of the bankrupt estate paying over ten cents on the dollar is very slight.

Herman Joerns, the well-known adjuster of Joerns & French, managers of the east side branch of the Home of New York, died at his home in Orange, N. J., last Thursday night of heart disease. Mr. Joerns is survived by his widow and two step-children.

As was expected, the directors of the Hamburg-Bremen Fire have formally elected H. C. Buchenberger as general manager of the company at the home office in Hamburg. Mr. Buchenberger's administration as associate manager in the United States has always met with the cordial endorsement of the home office directors and shareholders.

Newman & MacBain will open a branch office in Brooklyn on October 15, under the management of John F. Koester, for many years with William Stake & Co.

The New York University School of Commerce, Accounts and Finance announces a special course on fire insurance principles and practices, to begin to-day, September 26. The course covers six topics, and is compiled with a view to giving the most instructive and comprehensive grasp of fire insurance. It consists of the following: "Inspection," "Rating," "Fire Protection," "Office Organization," "Adjustment of Losses," "The Broker and Brokerage." The course will be under the direction of E. R. Handy, Ph. B., of the New York Fire Insurance Exchange, with the assistance of specialists in different departments of the subject.

BOSTON AND VICINITY.

Hinckley & Woods have been appointed Eastern Massachusetts general agents of the Federal of New Jersey.

The New England Insurance Exchange has returned from its vacation, and will at once resume its regular meetings.

The New England Bureau of United Inspection is conducting systematic inspection of the summer hotels of New England. Thus far the examination shows marked improvement in the line of fire protection during the last year.

The same bureau is also making an inspection of New England street railway properties, and has just completed the inspection of the Boston Elevated Railway property.

THE MIDDLE STATES.

—Nine shares of the stock of the Home of New York were recently sold at auction at $405, par $100.

—The Caledonian of Edinburgh has appointed R. W. Phelps its special agent for the State of New York outside of the suburban district, with headquarters at Syracuse. Mr. Phelps succeeds the late Judson C. Nichols.

—The annual report of the Reading Railway Company shows a balance to the credit of its insurance fund as of June 30, 1907, $1,040,844, an increase of $4006 over that of June 30, 1906.

THE NEW ENGLAND FIELD.

—One share of the stock of the Hartford Fire recently sold at $500, par $100.

—The Hartford Fire has declared a quarterly dividend of $3 per share, payable October 1.

—The Maine State Board of Trade has adopted resolutions favoring uniformity of hydrants, hose couplings and hose. It is claimed that if such a law had been in effect thousands of dollars' worth of property would have been saved at Old Orchard. Copies of the resolutions will be sent to other boards and to the National Board of Fire Underwriters.

THE WEST.

—The Eagle Fire Company has entered Arkansas, appointing Arnold, Raines & Co. of Little Rock its general agents for the State.

—It is understood that the Kansas anti-trust litigation may go over until January next, as both sides wish to take deposition on the State rate system.

THE SOUTH.

—The Ben Franklin of Allegheny is entering Kentucky through the general agency of Bierce & Sage, Detroit.

—Herman F. Lloyd has been appointed special agent for J. D. Kitchen & Bro., general agents at New Orleans, La., to succeed the late R. B. Manlove, who covered the South Texas field.

—J. W. Wilson is the promoter of a local company which is endeavoring to organize under the auspices of the Chamber of Commerce of Statesboro, Ga. It is proposed to have a capital of $100,000.

—Mandamus proceedings against Thomas E. Drake, Superintendent of Insurance of the District of Columbia, were instituted in the District Supreme Court recently by Attorneys Wilton J. Lambert and Edward McLean on behalf of James A. Bates and E. B. Townsend, trading as James A. Bates & Co. The suit seeks to obtain a writ of mandamus against Superintendent Drake to compel him to issue a license to Bates & Co., enabling them to do business as general insurance agents in the District of Columbia.

MISCELLANEOUS FIRE NEWS.

WESTERN UNION MEETING.

Threatened Rupture Averted.

The attendance at the annual meeting of the Western Union, which was held at Frontenac, N. Y., last week, was unusually large, owing probably to the prevalent rumors that it might be the last meeting of the organization unless better understanding was reached as to future co-operation. President Law of Chicago, in his annual address, made a strong review of the demoralization prevailing throughout a large part of Union territory, and pointed out the pressing need for better conditions. This report was referred to a committee of fifteen, which also considered the general conditions of the business. The committee included some of the ablest members of the association, with Fred S. James of Chicago as chairman. A committee was appointed to supervise the expenditures of fire patrols and rating organizations in the larger cities and of independent rating bureaus. H. C. Eddy, for the committee on fire protection engineering, reported steady progress in the work of the Underwriters Laboratories and the electrical inspections throughout the West. W. P. Hartford of Omaha presented a plan for apportionment of non-concurrent.

The report of the special committee appointed to consider the general conditions of the business averted the threatened open outbreak. It provided for the appointment of a special committee of five to ascertain the definite rights and limitations of the companies in the various States in which conditions have been demoralized. Their findings are to be reported to a special meeting of The Union to be held at the request of the committee as soon as possible, but not later than ninety days. Some of the members have claimed to be uncertain as to what rights they had of even individual action in the States where agreements were forbidden by law. The committee will seek to determine the exact rights and privileges of the companies, taking legal advice and by consultation with the officials of the various States, and the companies are then to keep within these, the resolution providing that the welfare of the insuring public, as well as the companies, shall always be kept in mind. The questions which threatened to disturb the meeting, and especially the action of the National of Hartford in the Kansas rating bureau litigation, were not mentioned in the meeting except indirectly. It was decided that the form providing for profit insurance on lumber, a request for which came from Kentucky, should be discouraged as not expedient. The rules were changed to permit the writing of retail lumber yards, on which specific insurance was formerly required under blanket forms. The use of a general loss adjustment clause providing for the use of the market value at central points was deemed inadvisable, but the governing committee was authorized to take up with the Pacific Coast Board the authorization of a form for sugar insurance fixing the value at the market price at Denver or some other central distributing point the day before the fire.

The following officers were elected: President, George W. Law, of the Royal of Chicago; vice-president, Gen. R. B. Beath, of the United Firemens of Philadelphia; secretary, John Marshall, Jr., of the Firemans Fund of Chicago. The next regular session will be held at Augusta, Ga., April 8, 1908.

NATIONAL ASSOCIATION OF LOCAL FIRE INSURANCE AGENTS.

Annual Convention at Richmond—Executive Committees Report—Rate-Making Considered—Commission Plans Discussed—Membership of Association Growing—Schedule Rating—Rate Wars.

The twelfth annual convention of the National Association of Local Fire Insurance Agents opened at Richmond yesterday. Many live topics were scheduled for discussion. Several of the committee reports are summarized below:

FINANCE COMMITTEE RECOMMENDED.

In its report, the executive committee recommended the appointment of a finance committee, as the financial business of the association (including the publication of The Bulletin as distinguished from its editorial management) has grown to such proportions and is of sufficient importance to make it desirable. The committee on ways and means also suggested that its report, together with the itemized statement showing the amount assessed to each State, and the credits for dues, The Bulletin subscription and advertising accompanying same be turned over to a permanent committee, to be appointed on finance, and that said committee be authorized to so modify the amounts assessed to each State as it may deem advisable, charge each State with such amount, and send bills quarterly for same to the executive officers with such credits as are paid from time to time for membership dues and subscription to and advertising in The Bulletin, so that they may know the amount of their deficit, if any, and bring the matter up at annual meetings for attention.

AMALGAMATION DEEMED INADVISABLE.

Regarding the tentative suggestion that there would be advantages in some sort of an amalgamation with the National Association of Casualty Agents, the executive committee was of the opinion that the fire insurance agents were confronted with problems peculiar to that business sufficient to tax all the ability at their disposal, and for that reason it was deemed inadvisable to amalgamate with any other organization at this time.

IMPORTANCE OF STATE ASSOCIATIONS IN MINIMIZING INIMICAL LEGISLATION.

Speaking of the work accomplished during the past year in the way of opposing undesirable legislation, the chairman of the legislative committee, after mentioning several instances where State associations had accomplished much good in this direction, remarked that the instances cited demonstrated that bad laws can be defeated or good laws passed whenever the united strength of the local agents is exerted.

SECRETARY'S REPORT.

As it was not practical to detail the work of the secretary's office during the past year, involving extended correspondence covering complaints under the head of overhead writing, ownership of expirations, competition of non-resident brokers, rate wars, multiple agency appointments and other live issues, visiting State associations and attending other meetings and conferences; editing The American Agency Bulletin, and handling minor details incidental to the work of the secretary's office, the report dealt only with a review of some of the more important questions, to which attention was given.

TRUST LINES.

Referring to these lines, the secretary said that insurance on consolidated or "multiple risks" industries seems to constitute a problem of itself. He said:

> It is a fact that agents are losing trust lines, either because they cannot hold them at all, or because they do not pay enough commissions to the controlling brokers to secure the business. Some agents think it is better to pay a brokerage, receiving a smaller percentage of the commission, than it is to lose the business altogether. In any event, it is manifestly necessary, in order to properly handle this question, that there should be a better understanding between the owner and the broker. It is for the interest of agency companies and their agents to retain this business if it is possible to do so at profitable rates.

RATE WARS.

The secretary reported that during the past few years the National Association has used its good services in many instances where local rate wars were threatened or in progress. During the past year, especially, the influence of the National Association has been of a very positive nature. It helped to stop a rate war at Greenville, Pa., and to avert threatened rate wars at Little Falls, N. Y.; St. Joseph, Mo., and St. Paul, Minn.; each case requiring quick action and extended correspondence.

COMMISSIONS.

The secretary on reporting this phase of the agency system said in part:

During the past year your secretary has assisted association members in Western excepted cities to present an organized protest against the arbitrary proposal of companies to reduce commission income. Agents in the excepted cities are in favor of uniform commissions with sole agencies and a regulation of salaried managers, but they very properly ask that the changes proposed be thoroughly discussed in conference before adoption. The company plan which the agents opposed did not carry. Following the action of our association at Indianapolis suggesting a uniform, flat and contingent commission, Southern agents (who had long been contending for the contingent plan in addition to the present fifteen per cent flat) frequently sought the advice of your secretary in their agitation for this change.

Various letters on the commission question were read and their contents discussed. Summing the matter up the secretary was of opinion that agents will not consent to a reduction of commissions unless they have some voice in the action taken, and unless the companies are willing to give them concessions which will make up for the loss. If local agents could be rid of non-resident rebating brokers, side-liners and multiple agents, they might be able to work for a lower rate of compensation. The trouble is that most companies want to reduce the agents' pay without cutting out any sources of premium revenue.

INCREASE OF MEMBERSHIP.

During the past year there has been a steady increase in the membership and organization of State associations and in their affiliation with the National Association. Local agents throughout the United States are manifesting an interest in the good work of the National Association and are rallying to its support.

—Smith & MacKenzie, general agents for the Atlas of London at Toronto, have formed a partnership with the firm of G. F. Marter & Son, for many years agents of the London and Lancashire Fire in that city. The new firm will represent both companies under the title of Smith, MacKenzie & Marter.

—The "Standard Insurance Directory of New England" for 1907 has been issued by The Standard Publishing Company. It contains a list of the insurance companies operating in New England, with the names and locations of their agents; local boards and associations, and lists of brokers. It is a book of over 700 pages, and sells at $2 per copy.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

Hobart E. Marshall, assistant superintendent of agencies of the Provident Savings Life, resigns as of September 30, to go into private business. The agencies of the company that have been supervised by him will, hereafter, be looked after by Assistant Superintendent of Agencies Arvin.

Henry C. Zaro has been appointed east side manager of the New York Plate Glass.

NOTES FROM PHILADELPHIA.

The Provident Life and Trust has inaugurated an innovation among Philadelphia financial institutions by changing from a semi-annual to a quarterly dividend basis.

Governor Stuart has approved the application of the Federal Health and Accident Company, a new joint stock company of this city, for a charter. The capital is $25,000, at $10 per share, and it is planned to increase this sum later. The officers are as follows: Justice Cox, Jr., president; E. J. Walker, vice-president; L. W. Bitting, second vice-president; James N. Randal, secretary; Samuel R. McDowell, treasurer; Horace B. Pearson, auditor, and H. L. Randal, medical director. The directors are: James A. Walker, Stephen W. White, secretary of the Northern Central Railway; Isaac E. Rowland, Charles W. Denny, Herbert Russ, Joseph P. Kinsley, J. W. Ayres, James M. Hibbs and Robert E. Gowen.

Anson A. Maher, manager of the office of the Equitable Life of New York, in the Arcade building, has resigned that office to retire permanently from the life insurance business. He has been one of the company's best producers.

THE MIDDLE STATES.

Superintendent Kelsey on Forms of Life Policies.

Superintendent of Insurance Kelsey has approved two forms of life policies asked for by the committee of actuaries, viz: limited payment joint-life, and endowment joint-life. The following requests for standardization were rejected: A full set of forms, asked for by the Buffalo Life, because the same were both the same kinds of policies for which the legislature has provided standard forms, and also in many of their terms directly contrary to law. A set of continuous instalment forms, asked for by the Equitable, because the privilege of having the policy paid in continuous instalments, virtually equivalent to this, is given in all the standard forms. The following proposed forms were reserved for further consideration: "Term and—" forms, providing for term insurance, followed by life, limited payment or endowment, asked for by the Provident Savings. Premium reduction forms, asked for by the Postal Life and the Liberty Life. Endowment forms, providing for payment at maturity to the beneficiary instead of the insured, asked for by the Washington.

—The Continental Life of Wilmington, Del., has deposited $100,000 with the Delaware Insurance Department, and the company has been authorized to transact business in Delaware and Maryland.

—A new life insurance company has been organized by J. J. Hirshfield and W. J. Cotter, to be known as the American Union. It will have offices in the Mutual Life building, Philadelphia. The officers are: J. J. Hirshfield, president; W. J. Cotter, secretary and treasurer; J. S. Munsell, superintendent of agents. Dr. Charles S. Barnes is medical director.

—The Order of Unity of Pittsburg, Pa., reports gains in all branches of the business during the summer months. Nearly half a million of new business was placed on its books during the first half of September. The order is making a special effort just now to cover all its unoccupied territory in Pennsylvania, and has half a dozen choice contracts open to reliable men.

—The new business of the Mutual Benefit Life of Newark for the first eight months of 1907 amounted to $35,324,440, an increase of $2,924,741 over the corresponding period of 1906. Notwithstanding that the insurance in force on September 1, 1907, was $31,632,739 over that of September 1, 1906, the total terminations from all causes, including death and maturity, were only $441,004 greater than the first eight months of 1906.

THE WEST.

—Col. Harry S. Fuller has been appointed general agent of the Northwestern Mutual for Milwaukee.

—The Universal Life of St. Louis has decided to change its name to the St. Louis National Life Insurance Company.

—B. E. Ellis, formerly manager of the Phœnix Mutual Life at Des Moines, becomes manager of the company at Minneapolis.

—Auditor Carroll of Iowa has approved the proposed plan of the Des Moines Life to change from a mutual to a stock company, as recently announced by President Rawson in a letter to the policyholders.

—The newly organized Michigan State Life has appointed B. S. Stratton and B. L. Brown of Owosso, Mich., its field men. The company was launched largely through the efforts of Frederic Apps of Owosso.

—Andrew Stevenson, Chicago manager of the Columbian National Life, has resigned to become vice-president and manager of the Iowa Railroad Company, which will operate an interurban line between Waterloo and Perry.

—W. T. Shephard, who has been field superintendent for the Security Mutual Life of Binghamton, with headquarters in Minneapolis, has been appointed general field superintendent of the company for nine Western and Northwestern States, with headquarters in Chicago.

—The Lincoln National Life of Fort Wayne is paying its first dividend this year, and a very good one it is. At age thirty-five, for instance, on a twenty-payment life, on which the premium charge is $37 per $1000, the dividend is $4.10. There are few of the older companies which excel this.

—Application has been filed with the Nebraska Auditor for a combination of the American Order of Protection of Lincoln, Neb., with the Fraternal Life of Hastings, Neb., and the Insurance Department is investigating the affairs of the two organizations before giving his consent to the merger.

—A new old line Kansas life insurance company is in process of organization, to be capitalized at $100,000 and backed largely by Kansas City (Kan.) and Topeka parties. J. E. Mulligan, formerly of Minneapolis, Kan., but now of Kansas City, Kan., is one of the moving spirits behind the new enterprise.

—The Bankers Club has been incorporated at Pierre, S. D., as a mutual life company on the assessment plan, with an organization and a ritual, the principal difference being that the assessments are to be based on a graduated plan of

rates instead of the level premium of the older organizations. Both sexes will be admitted.

—The Bankers Reserve Life of Freeport, Ill., was licensed recently, and is now writing business. It has already $500,000 insurance in force and writes a straight life and instalment policy. The officers are: President, W. B. Erfurt; secretary, F. C. Wenthe; treasurer, L. R. Jungkunz; vice-president and field manager, S. C. Brock.

—Regarding the construction of the expense clause in the new Wisconsin laws, which go into effect January 1, 1908, Commissioner Beedle characterizes as erroneous the belief that a net level premium valuation will not be allowed where assumptions are made permitting a greater loading the first year than under the net level premium plan.

—The new Illinois life insurance laws go into effect January 1, and the Illinois Insurance Department is calling upon the companies for copies of the policy forms which they propose using thereafter, to see if they are in compliance with the new statute. Wherever the home State of a company imposes certain requirements as to policy forms or conditions the Illinois Department will allow such policies to be issued, even though they may conflict with the Illinois requirements. This will not be permitted, however, in optional features, but only on those that are mandatory.

—The Michigan State Life of Detroit has now been fairly launched, and upwards of $350,000 has been written. The company has a capital of $100,000 and a further fund of the same amount, so that its contracts may have unquestionable security back of them. Frederic Apps, head of the Apps Insurance Agency of Owosso, Mich., is director of agencies for the company, and his entire force will work for the new organization. C. A. Goodale, until recently secretary of the Missouri State Life, is president, and the official staff is composed of very efficient men. The Michigan State Life proposes to write straight life insurance without any special schemes, and its contract embodies every liberal feature of modern practice.

THE SOUTH.

—On September 18 the stockholders of the Keystone Life of New Orleans, by an almost unanimous vote, resolved to increase the capital stock of said company from $100,000 to $250,000.

—Charles C. Hazell has been appointed agency superintendent of the Equitable Life of New York for the Atlantic Division, embracing Maryland, District of Columbia, West Virginia and the Carolinas.

—Joseph Dinkelspiel, general agent at New Orleans of the Pacific Mutual Life, has just rounded out a quarter of a century as a life underwriter, and is receiving the congratulations of all his friends. His career has been an eminently successful one and should be a stimulus to the younger men who are steadily struggling upward.

—The actuarial division of the Florida Life, under Actuary R. M. Anderson, is busily engaged in the compilation of the new rate book, which will be issued about January 1 next, and will contain a number of attractive and unique new contracts, in addition to the very excellent policies now being issued. The company will enter Georgia and Alabama before the end of the year.

—The Louisiana National Life of New Orleans has had under consideration for some months confining its attentions to writing non-participating assurance only, and finally made the change on August 21. F. A. Williams, associate of the Institute of Actuaries, Great Britain, and of the Actuarial Society of America, is actuary, and Courtenay Baylor, superintendent of agents. The company has apparently a future before it in the South, doing business in the following States: Louisiana, Mississippi, Alabama, Tennessee, Georgia and Texas.

—N. D. Miller of Bonifay, Fla., was appointed an agent for the Florida Life in Western Florida on September 10, and, with Bonifay as headquarters, will represent the company in all west-end counties. Other late agency appointments are as follows: Levi W. Sheppard, as special agent in Western Florida, working out of Century and Pensacola, Fla.; W. E. Tucker, as special agent, with headquarters at DeLand, Fla. Richard L. Pleasants reached Jacksonville from St. Louis on August 20 to take a local agency contract. He was recently with the Prudential Life and formerly with the Hartford Life.

MISCELLANEOUS LIFE NEWS.

Changes in Policy of Connecticut Mutual Life.

The Connecticut Mutual Life Insurance Company announces that its policies, from September 16 onward, will provide for: (1) Yearly dividends beginning at end of first year; (2) dividends to be used to reduce premiums; (3) reversionary additions in lieu of cash dividends; (4) yearly cash values and provisions for loans on policies; (5) participating extended insurance in case of lapse; (6) Participating paid-up insurance; (7) change of beneficiary privilege; (8) incontestability after two years; (9) freedom of residence, travel and occupation, from date of issue; (10) policy payable to beneficiary in instalments, or (11) convertible into an annuity, as may be desired.

Until the above policy is printed and ready for delivery, all policies issued from September 16 to December 31, 1907, may be exchanged for the new policy, when ready, as per agreement.

NATIONAL CONVENTION OF INSURANCE COMMISSIONERS.

Thirty-Eighth Annual Session at Richmond, Va.—Important Papers Read—Committee Reports—Election of Officers—Generous Entertainment.

The representatives of twenty-five States met at Richmond last week in the thirty-eighth annual session of the National Convention of Insurance Commissioners, listened to a number of instructive papers, adopted the reports of its committees, elected a new set of officers and adjourned to meet at Detroit, Mich., next year. The value of their deliberations will be manifest in the way in which each department handles the problems that arise during the ensuing year. The two previous sessions were very important, owing to the agitation that had flooded the country in connection with life insurance, while last year the problems arising from the San Francisco conflagration came in for consideration. This year there was little said on either of these topics, and the most important subject handled was that of surety reserves. Some of the Commissioners felt that too much time was given to the reading of papers at this session, and this feeling took concrete shape in a resolution that at the next session one day should be given to the presentation of papers and addresses, leaving two whole days for the real business of the convention. The several papers read, however, were of the highest importance and constitute valuable additions to the literature of the business.

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At least two important resolutions were presented and carried, the outcome of which will result in greater uniformity in the practice of the Departments. Mr. Prewitt of Kentucky introduced a resolution calling for a comparative showing of taxes imposed by the various States on insurance companies as contrasted with those levied on other lines of business. This data is to be compiled and submitted to the next session of the convention for discussion and action. While it may give more definite information on the subject of taxation than is now available, the convention as a body will not be able to enforce any of the recommendations it may bring out, but it will remain for the members in their individual capacity to convince their legislatures of the necessity of a uniform system of taxation. It is conceded that the taxes now imposed by the several States are utterly unscientific, and if the convention can recommend some uniform system and cause its adoption in some States it will have accomplished a great work. The resolution presented by Mr. Rittenhouse of Colorado at the conclusion of his paper on "Deceptive Insurance Methods" is of a thoroughly practical nature and clearly falls within the province of the Insurance Departments. It is as follows:

Whereas, Deceptive and fraudulent insurance methods and promotions designed to evade the law are constantly being originated and placed before the public in various States of the Union,

Resolved, That in order that the people may be warned and protected against such impositions and also enlightened as to stock and other inducements offered with but not germane to insurance, the Commissioners of Insurance of the United States hereby pledge themselves, so far as possible, to investigate all irregular and wildcat schemes which come to their notice, to exchange with each other reports of such investigations and to give the facts the widest possible publicity.

As the primary object of the Departments is to protect the public, it is highly necessary that they work in harmony with one another, and when a fraud is detected in one State, the officials of other Commonwealths should promptly be informed of it so that they will be prepared to combat it if it appears within their borders. Mr. Rittenhouse's resolution will prove of great service in this connection.

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The committee report on reserves other than life had been looked forward to with interest, in view of the discussion during the past year on fidelity and surety premium and loss reserves. The committee held a protracted meeting in July last, at which representatives of companies were present, and came to the conclusion that for the present, at least, it would be futile to attempt to formulate any plan for reserves and losses of surety companies founded on the average of their experience. It did, however, recommend that each surety company be required to file with its annual statement—

1. A schedule showing all fidelity and surety losses and claims of companies unpaid on December 31 of the previous year, and the disposition of same during the year which the statement covers. This schedule should be in sufficient detail to show in respect to each risk its location, the number and amount of the claim, estimated liability thereon December 31, gross amount paid during the year covered by the statement, salvage recovered during said year, net amount paid during said year, estimated liability outstanding and remarks of explanation.

2. A schedule showing all unpaid and undisposed of fidelity and surety losses and claims of which the company received notice during the year covered by the statement. In respect to details this schedule should contain the number and amount of claims, estimated liability at close of each year which the statement covers, and remarks.

A new company making its first annual statement will simply furnish the schedule last specified.

In due course of time these schedules showing the December 31 reserves for losses go into Schedule G of the annual statement, there to be tested as to their sufficiency by the actual payments which the company makes in settlement.

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A special evening session was devoted to the report of the committee on blanks, two hours being consumed in the reading and adoption of its report without any material change. The blanks presented were four in number, covering fire, life, miscellaneous and fraternal organizations. The committee had devoted much time to their preparation during the year and held several sessions at Richmond, at which company officials were present and made their objections known. However numerous these objections might have been, they had comparatively little effect on the committee, for but a very few changes were suggested in the blanks as printed for distribution at the convention. This is not to say that the committee paid no attention to the objections, but under a resolution of the convention adopted some years ago, changes in the blanks must be submitted at least three months prior to the meeting of the convention, therefore, changes suggested last week to the committee were referred to the incoming committee on blanks for consideration and report next year. About the only point raised by the convention was in connection with the jurat in each blank. The statement was made that an affidavit by the president and secretary was not sufficient, inasmuch as there were other officers who had more to do with the preparation of the annual report. In order to reach these officers an extra question was put in, reading as follows: "What officials and heads of departments of the company supervised the making of this report?" The affidavit in a life return must now be sworn to by the president, secretary, actuary and treasurer (or corresponding person having charge of the accounts and finance of the company), while in the case of other companies the treasurer is added. The convention complimented the committee on the way in which its work had been performed, and also passed a vote of thanks to the New York Department for its courtesy in printing the blanks without cost to the convention.

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The two papers on fraternal insurance read by George A. Bangs, of the Knights of Pythias, and D. P. Markey, of the Knights of the Maccabees, were listened to with attention, but did not bring forth any discussion, nor did the report of the committee on fraternal insurance which was as follows:

We commend the attitude of the National Fraternal Congress and the Associated Fraternities of America, the two great associations representing the fraternal beneficiary societies of this country, in their efforts to ascertain and recommend a table of rates more nearly in accord with their mortality experience than those now used by most of those societies. We are glad to learn that these great associations not only believe that rates should be raised, but that they have expressed a willingness to assist in passing legislation tending to secure adequate rates, affecting not only the new membership, but those already insured.

This association realizes the difficulty experienced by the fraternal associations in the efforts made by them to maintain proper rates, owing to the representative form of government which obtains among them, and to the fact that their membership, as a rule, is not well informed on the subject of proper insurance principles, and we pledge our cooperation with them in securing in the different States represented by us such legislation as will enable them to establish themselves on a permanent basis by fixing a logical standard on which to base their rates. The convention approves the legislation enacted in some of the States giving legal control of proposed amalgamation of fraternal societies, and believe that such laws would be valuable in all the States.

We believe that the lack of legal control of the investments of fraternal societies is not in the interest of their best management, and this convention recommends legislation defining the class of securities in which the funds of fraternal societies should be invested.

Realizing that the movement among the fraternal societies to place themselves on a more enduring basis will result in great good, we urge the committee on fraternal insurance to be appointed by this body to hold meetings during the coming year, in order that recommendations looking to definite legislation may be made by said committee prior to the meeting of most of the State legislatures in the winter of 1908-'09, giving special consideration to the questions of mortality tables, rates of interest, reserves and surrender values.

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On the closing day of the session the programme was rapidly disposed of, and no new business appearing, the president called for the report of the committee on officers and place of meeting. This was presented by Mr. Cole of Mississippi, and unanimous consent having been given, one ballot was cast for the following officers: President, Reau E. Folk of Tennessee; vice-president, B. F. Carroll of Iowa; secretary, J. J. Brinkerhoff of Illinois; executive committee, J. V. Barry of Michigan; H. J. Prewitt of Kentucky; T. H. McDonald of Connecticut; A. I. Vorys of Ohio, and E. E. Rittenhouse of Colorado. The next session of the convention will be held at Detroit, Mich., and those who know Commissioner Barry feel assured that everything possible will be done to make a success of the thirty-ninth session. Mr. Vorys of Ohio suitably expressed the feelings of the delegates and all who had attended the sessions over the cordial manner in which they had been treated by the officials of Virginia and the citizens of Richmond, and a unanimous rising vote was accorded them. Colonel Button, the Virginia Insurance Commissioner, Deputy Brenaman and Actuary Taylor were unremitting in their efforts to make every person comfortable, while the local committee of entertainment left nothing undone. That committee was composed of the following gentlemen: George L. Christian, Wm. H. Palmer, John G. Walker, Edmund Strudwick, S. P. Wiley, T. Wm. Pemberton, Wm. H. McCarthy, W. B. Freeman, N. D. Sills, T. A. Cary, D. R. Midyette, Fred Pleasants, R. S. Tuck, Cunningham Hall and Robert Lecky, Jr.

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In addition to the list of delegates and guests given in THE SPECTATOR last week, there were also present at one or more of the sessions Otto Kelsey, Superintendent of Insurance of New York, and B. F. Carroll, Auditor of Iowa, official delegates; Jesse R. Clark, president of Union Central Life; Wallace A. Taylor, president American National Life of Lynchburg, Va.; W. W. Ruley, president Economic Life of Philadelphia; Roland A. Lamb, vice-president and secretary John Hancock Mutual Life of Boston, and Robert Lynn Cox, secretary of the Association of Life Insurance Presidents.

Much pleasure was expressed by the delegates at the entertainment provided for them. On Thursday the local association of life insurance agents gave a lunch, followed by a two-hour drive through the city, which was full of interest. On Friday the local companies took the entire convention and guests on a trip down the historic James River to the Jamestown Exposition. All the points of interest were explained by those familiar with the river, and a stop was made at Jamestown Island to view the site of the first English colony on this side of the Atlantic. The party landed at the Exposition at about 6 P. M., and Saturday was devoted to the sights there.

It seemed very much that the road to the Governorship of a State lay through the office of Insurance Commissioner, for there were a number of would-be and possible Governors on hand at the convention. B. F. Carroll is out for the Governorship of Iowa; Auditor Scherr of West Virginia would like to be Governor of that Commonwealth; Vorys of Ohio is still looked upon as a future Governor of that State, while the boom for Barry as Governor of Michigan, which was started at Toronto, received added impetus at Richmond.

Commissioner Vorys came in for a good deal of good-natured chaffing over his management of the Taft campaign for the Presidency, and was liberal in his distribution of offices under the hoped-for administration. He claims that so far he has distributed several hundred offices and has not yet duplicated any.

FIDELITY AND SURETY PROBLEMS.

The above title applies to the paper read by S. H. Wolfe of New York:

At first I had determined to prepare a short paper on the subject of the reserves necessary for fidelity and surety bonds, but upon second thought I felt that I could deal more justly with the subject if I allowed myself the latitude indicated by the present title of this paper. * * *

There are two aspects of the situation which may properly claim our attention at this time. First, the rate charged; and, second, the reserve, or unearned premium, or reinsurance reserve, or whatever title you choose to give to a liability which is properly insisted upon by Insurance Commissioners.

The rate to be charged is apparently the result of individual judgment. The underwriter of one company may decide that the hazard requires the payment to his company of so many dollars. The underwriter of another company may fix upon a figure five times as large, or one-fifth of the size as his measure of this same hazard. Unfortunately, the risks in the class of business under consideration are neither in the ideal position of life insurance risks, where it is known that every life under consideration must eventually be a loss, nor are they in the almost equally satisfactory condition of fire insurance risks, where years of experience have enabled the underwriters to secure sufficient exposures to form a suitable field for the operation of the law of average.

We are confronted, therefore, with the necessity for finding some temporary expedient which will enable us to bridge over this chasm of uncertainty until we may arrive on the dry land of established statistics. It seems to me, therefore, that the only safe course in rate making is for the companies to forget for the moment any petty jealousies or wounds of competition, and co-operate for a purpose which must appeal to all. * * *

What is the so-called "reserve?" Let us first consider this question from the negative view-point. It certainly has none of the functions of the reserve for life policies, which has for its purpose the accumulation of a sufficient amount in the early years of a contract to enable the deficiency of subsequent years to be met without an undue increase in rates. It is not intended for the reinsurance of a company's risks, for this contingency is to a certain extent a remote one, and, therefore, would hardly justify a provision of this kind. It does, however, occupy

the same relation to a corporation which the governor and flywheel do to a complicated piece of machinery. * * *

It may be found from a critical examination of the records of fidelity losses that fifty per cent of the gross premiums is too great a percentage to be retained for the losses of expiring policies. If this be so I would be in favor of modifying the rule accordingly, but it seems to me that as long as the present uusatisfactory conditions exist, and one company charges $1050 and another $157 for furnishing the same bond, any percentage of the premium charged must of necessity be an unstable measure of future losses. The only satisfactory explanation of the present unearned premium charge of fifty per cent of the premiums received is that it shall serve as indicated in this paper; viz: to represent the amount which a company should have on hand on the supposition that its premiums are not earned as soon as they are received, and that it should, therefore, retain a sufficient amount on hand to pay losses as they occur in the latter months of a contract's existence. In other words, no attempt is made at the present time to establish by a "reserve" requirement, the present value of future liabilities, its sole function being to insist that a company shall not immediately spend in riotous living all the premiums which it collects. * * *

To summarize: Apart from the application of correct accounting methods there is great need for securing some scientific basis for computing rates in order not only that the companies may conserve their own interests, but that there shall be some equality in the unearned premium charge which the State insists a company shall include among its liabilities. There is no logical reason for charging one company with a liability of $100 on a particular risk when another company covering the same risk to the same extent reports only $50 as the unearned premium. The carrying out of this plan will enable the companies to establish the sufficiency or insufficiency of the present charge of fifty per cent of the gross premium received. A corollary to this proposition is the determination of a proper charge for those bonds under which the insured may still make claim, although the indemnity period has expired.

The claim has been made that this class of business is akin to banking, and its supervision, therefore, properly belongs not to Insurance Departments, but to banking departments. * * *

Let us examine the claim of some surety companies that this is really a banking business, and that the premium charged is merely a fee for furnishing the accommodation. On this assumption is there any justification for a company's claim, that any portion of this fee is earned when the risk is placed upon the books, and that, therefore, it need carry in its statement only fifty per cent of the fee? The exposure under surety bonds is not uniform as in the case of a fire insurance policy where it is quite clear that one-twelfth of a year's premium is earned each month. Bonds guaranteeing that a contractor shall satisfactorily complete his work do not have a uniform exposure, and it seems to me that the safest and only equitable way is to assume that none of the fee is earned until the possibility for sustaining losses under the bond has passed away. No matter how loud are the claims that companies transacting this business safeguard themselves by issuing bonds only on persons and firms of undoubted financial strength, or upon the deposit of collateral, the fact still remains that heavy losses in excess of the salvage thereon have been experienced by these companies. Human judgment is always fallible, and as long as we base certain results upon it, and not upon cold scientific facts, so long will we be dealing with a problem involving an unknown and practical indeterminate liability. * * *

I believe that no surety company should consider a premium or fee earned until all possibility of risk thereon has passed away. To give this idea concrete form I would say, that, in my opinion, a company should carry as an unearned premium charge the gross premiums which it has received upon risks still open, less any payments which have been made to agents, or brokers, for securing the business. I am willing to admit what must be apparent to all who have considered this problem; viz., that this proposition will be ineffectual unless a sufficient premium or fee be charged. This criticism must apply to any liability charge based upon the premium received, and without this adequacy it will be impossible to prevent the inequality between companies, which I pointed out in a previous paragraph. Hand in hand, therefore, with this idea must go the belief that the self-preservation of companies requires an accurate tabulation of risks in order that an adequate premium charge may be made. * * *

Before closing, however, I desire to refer to a matter equally important as the reserves on unexpired policies; viz., the necessity for a closer approximation of the cost of settling reported losses. Some of the companies have been fooling themselves by underestimating this liability, and I believe it to be the duty of supervising departments to insist upon the maintenance of an adequate figure for this purpose. Such action should be taken, not only for the protection of the citizens of the various States, but also as an act of justice to those companies who are doing their duty in this particular. To charge an inadequate premium and then make up the deficiency by using receipts from policyholders of later years is not only unjust, but is on a par with the borrowing of money for the purpose of paying a stockholder's dividend.

May we not, therefore, hope that the selfish desire for self-preservation will lead to the adoption of adequate rates, and this action, in turn, will enable supervising officials to derive some proper measure of liability? When that time comes it may be found that a crude charge of fifty per cent of the premium is too high or too low, but the way will be clearly blazed for a proper determination of this important matter along scientific lines.

DECEPTIVE INSURANCE METHODS—THE CURE.

E. E. Rittenhouse, Commissioner of Insurance for Colorado, addressed the convention on the above topic.

In guarding the public against insolvent insurance companies, State supervision has been eminently successful. In protecting the people against frauds, impositions and abuses by solvent companies it has oeen only partially successful.

The use of deceptive methods is by no means confined to dishonest soliciting or to new insurance promotions. Such methods are found iu companies supposed to be very respectable. They appear in the bookkeeping, in the official statements, in the plans of insurance, in the policy provisions, in the misuse of funds, in the juggling of securities, in the padding of assets, in the improper shrinking of liabilities and in other forms. * * *

It is a common thing to find new or young companies with a small surplus which have succumbed to the temptation to pad their assets. And some of the older companies have the same weakness. Sometimes notes or borrowed monies are entered as assets at the close of the year and removed after the books are closed for the annual report. While we frequently find liability items overlooked at the end of the year, for some reason this thoughtlessness does not extend to asset items. * * *

It is bad enough for solicitors to deceive people by misstating the financial condition of a company, but it is a much graver offense for the officers themselves to juggle their reports and pad their assets to accomplish that same purpose. A close examination of annual statements will disclose some of these abuses, but to reach them all it is necessary to give this feature careful attention in making examinations. When a company is found guilty of reporting padded assets the information should be promptly given to the public. * * *

The company which has had the longest experience with "special contracts," covering a period of twelve years, has been able to pay but about thirty-six per cent of the promised dividends, although it has had a very rapid growth. This thirty-six per cent, which amounts to several hundred thousand dollars, has been taken from the pockets of one class of policyholders and placed in the pockets of another—simply as a reward in the form of a rebate for taking insurance—and this expense is constantly increasing. The people who go into this company now must pay tribute to a fund which is used in paying these rebates to people who came in years ago. * * *

The plan of distributing hundreds of thousands of shares of the stock of an insurance company, a holding company, or an agency company among the people with the hope of inducing insurance is, in my opinion, absolutely wrong and against public policy. Of course, the promoter will ask, "Haven't I the right to sell this stock to whom I please—especially when it is not sold or placed to induce insurance?"

The answer is that the whole scheme is to induce insurance; if it were not, the stock would not be fed to the dear public. To deny it is a mere pretense. To deny that the people are led to believe they will receive large returns on the stock, which will, in effect, reduce their premiums, is also mere pretense, because no one would take these stocks unless they were led to believe that unusual profits were to come, for they can get the same insurance and the ordinary profits from any company. It is not pretense, subterfuge or theories, but facts, that govern in determining these questions. It is the business of Insurance Departments to assist in keeping insurance clean, respectable and honest. In doing this, they must keep it free from the hazard which goes with all these speculative or gambling devices. * * *

State supervision does not mean that the Insurance Commissioners must undertake to manage the insurance companies, but I believe it does mean that when it is found that companies are using deceptive methods, misusing funds, or violating the law, they must be ordered to correct the abuses, and the facts be given to the public. The people are surely entitled to know these things. They pay the bill. The policyholders pay for the insurance. They also pay the wages and expenses of the man who solicits them, and last year they paid through the companies in the United State in fees and taxes to Insurance Departments at the rate of a million dollars per month. What right have we to gather this information and stow it away as a Department secret? To do so is not only an injustice to the public, but to the companies which are keeping the faith and dealing fairly and honestly with the people.

We require insurance companies to make elaborate financial statements annually. This is, of course, very essential. But these reports relate almost entirely to the financial condition of the company. The average citizen can not analyze these statements; in fact, they are a puzzle to many insurance men and to some Commissioners. If he could analyze them, they would tell him little or nothing about the business methods and policies of the companies in dealing with the public.

Owing to the present effective system of reports and examinations relating to solvency, the fact that a company is doing business is in itself evidence that it is solvent. The public accepts this fact when it knows that the Department has authorized a company to do business. What the policyholder wants to know is whether the company is guilty of abusing its power, if it engages in trickery or rebating or illegal discriminations; in short, if it is dealing fairly and faithfully fulfilling its trust. The annual report will tell him of none of these things. They can be learned only through investigation by the Department.

My notion is that the Commissioner in each State should examine his companies every one or two years, and watch over them closely to see that they get into no bad habits; the reports of such examinations to be exchanged with other Departments, which, in their turn, can make public any portion interesting to their people. This information should be published briefly and concisely in the form of a bulletin or circular and filed, over the signature of the Commissioner, as a public document. The press should be supplied with copies. As a rule the newspapers will gladly print any official statement of wrongdoing, and, if they decline, the State should pay for having such bulletins published. * * *

We all believe in publicity. What I am contending for is the practical and systematic application of this publicity cure, which is now in our hands to administer, as it has been for years.

The Insurance Commissioners have provided a uniform method of reporting to the Departments, and in these blanks, so far as possible, they have worked out and provided the details of a uniform standard of

solvency for all kinds of insurance companies. They have also done their utmost to secure uniform and effective laws. I believe they are now in position to render the public additional valuable and much-needed service by adopting a uniform and systematic plan of publicity in exposing deceptive methods and abuses in insurance. As I see it, it is their duty to go further and not only expose them in every State, but to jointly make vigorous and determined war upon such practices, wherever found.

They would not be alone in this work. Every decent insurance company in the country would support them. Why not try it?

In the department of business by States in life volume of The Insurance Year Book for 1907, the figures of the United States Annuity and Life of Chicago were inadvertently omitted from some States in which it operates. The following is the correct showing of its business for 1906:

Name of State.	Insurance Written in 1906.	Premiums Received in 1906.	Losses Incurred in 1906.	Insurance in Force End of 1906.
	$	$	$	$
Illinois	784,773	26,678	5,250	663,965
Michigan	48,872	2,135	......	47,823
Oklahoma	1,500	63	......	1,500
South Dakota	473,872	21,328	......	468,795
Texas	84,578	2,949	......	78,353
Washington	45,071	1,827	......	38,571
Wisconsin	164,175	6,713	......	152,211

Casualty, Surety and Miscellaneous

Appointments by the Casualty Company of America.

The following appointments at the home office of the Casualty Company of America are announced:

E. B. Anderson, superintendent of plate-glass department, and H. W. Hendrickson, assistant superintendent, in place of F. S. Giles and H. Nettle, resigned.

Mr. Anderson was for ten years connected with the Metropolitan Casualty, and during that period filled a number of important positions at the home office, both in underwriting and adjusting. Mr. Hendrickson has been for eleven years connected with the plate-glass department of the Fidelity and Casualty and has had a wide experience both in handling business and adjusting losses in New York city and throughout the country. Both of these men are fully qualified in every respect to develop and increase the plate-glass business of this company and will co-operate with you in every possible way in securing new business and holding your renewals.

C. S. Forbes, who has been connected with the liability department of this company for the past three years, has been appointed superintendent of the department in recognition of his faithful and valuable services to the company. H. W. Tillinghast, superintendent of the accident department, has resigned, and his successor will be appointed shortly. Meantime, the business of that department will be given prompt and efficient attention by J. P. Marron and H. C. Forbes, assistant superintendents.

The net premiums for eight months to September 1, 1907, amounted to $992,129, as against $777,837 in 1906, an increase of $214,292, or nearly twenty per cent for the period named.

Examination of London Guarantee and Accident.

The examination of this company recently made by Actuary S. H. Wolfe for the Colorado Insurance Department showed that on December 31, 1906, the United States branch possessed total admitted assets aggregating $2,102,191, and a surplus of $325,153 over all liabilities, including $100,000 of liability reserves in excess of New York and Massachusetts requirements and the company's statutory deposit of $250,000.

Commenting on the company's condition and method of transacting business, Actuary Wolfe said in part:

I have included in the assets an item of bills receivable for $3500, and have decreased the outstanding premiums by that amount, as this more properly represents the true condition of affairs. I have likewise made an adjustment between those premiums which were written subsequent to October 1 and those prior thereto. This has resulted in an increased disallowance. The estimate, which the company placed upon its outstanding accident claims, was as nearly correct as it was possible to obtain from the figures on December 31, but subsequent results have shown that the correct amount is as stated in my report. * * * The company's treatment of its policyholders appears to have been both just and liberal, and the statement shown above indicates that it has a surplus of over $300,000 in addition to its statutory deposit for the protection of its policyholders. * * * The officers of the company afforded me every opportunity for making this examination, and my particular thanks are due to Mr. Lawson for his aissstance in the preparation of the estimate before mentioned. I am indebted to you for valuable suggestions throughout the examinations, and to Lee J. Wolfe and to W. C. Stainsby for their assistance.

Casualty Notes.

—The London Guarantee and Accident Company has just appointed J. G. Harvey of Baltimore general agent for Maryland.

—The directors of the Hartford Steam Boiler Inspection and Insurance Company have decided to double its present stock by capitalizing $500,000 of its surplus.

—The Plate Glass Underwriters Association of New York met last week in the office of the Metropolitan Casualty and voted to accept the resignation of the Philadelphia Casualty from the plate glass compact.

—President Armstrong of the Philadelphia Casualty has appointed H. W. Tillinghast to the management of the accident department, and F. S. Giles and Hugo Nettle for the plate glass department. The accident business is to be handled from Philadelphia, but the plate glass managers are to have headquarters in New York.

—The Missouri Department has licensed the Ætna Accident and Liability of Hartford to do accident, health, liability and general casualty business, but it is the intention of the company to write only automobile damage business for the present. J. C. Barrows of St. Louis, general agent for the liability department of the Ætna Life, will represent the company

—The Commonwealth Casualty Company of Philadelphia is constantly adding to its field force, and we learn that the new business written so far this year is more than sixty per cent greater than for the corresponding period in last year. The special features included in the plans of this company appear to be very popular wherever presented. In short, everything appears prosperous with the "Commonwealth."

—The special agents' convention held by the Pennsylvania Casualty Company at their home office in Scranton, September 9, 10, 11 and 12, was of a most interesting and helpful nature. The convention was called primarily for the purpose of familiarizing the special agents with the plans of the company with regard to the year-end campaign, which opens October 1. The convention, presided over by Vice-President Nichols, was addressed by Secretary Kingsbury, Assistant Secretary Stocker, Plate Glass Manager Clarke, Assistant Secretary Coar, Chief Inspector Clark, Advertising Manager Edward Walker and H. H. Lovell, the new general manager of the Title Guaranty and Surety Company. The work of the convention was extremely instructive, thorough and inspiring, and the management believes that much good will result. At the close of the convention, the traveling specials presented Third Vice-President and Agency Manager Nichols with a handsome silver-mounted silk umbrella as a slight token of their loyalty and esteem.

—The National Life of the U. S. of A. announces the appointment of W. E. Ten Broeck as its general manager for Northern Illinois and Northern Indiana, with headquarters in Chicago. The several general agencies in Chicago and throughout the territory mentioned will be consolidated and under the direction of Mr. Ten Broeck after October 1. He has been with the Equitable Life as agency manager for Wisconsin and Upper Michigan and as agency supervisor for the States of Illinois, Wisconsin and Upper Michigan since January last.

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IT has been often said that a man takes his life in his hands every time he attempts to cross Broadway. The same may be said regarding many other streets in New York, and in other large cities where traffic of all kinds is carried on by all sorts of vehicles. Of course the greater number of accidents that occur in public thoroughfares are due to the railway systems, but the corporations that control the subway, elevated and trolley roads have always maintained the greatest possible secrecy regarding them. The Public Service Commission, however, has been enabled to extract from them an official statement of accidents that occurred between August 5 and August 30. The total number of persons killed in twenty-six days was 42; those receiving serious injuries, such as fractured skulls, amputated and broken limbs, etc., brought the total of fatal and serious accidents up to 189. Of accidents of all kinds there were 5500 due to collisions, carelessness and ignorance. Passengers are themselves to blame for many of these, as over 1900 persons received their injuries while boarding or alighting from the cars. One has but to note the careless and reckless manner in which persons get on and off the cars to realize that the figures given above are below rather than above what might reasonably be expected. Men who have plenty of leisure rush to catch a car and attempt to jump on while it is moving at a good rate of speed. If they chance to miss gripping the rail, they are sure to receive a fall and painful if not serious injuries. Many persons, especially women, get off of a car backwards before it comes to a stop, and are quite certain of landing on their backs because of such a senseless performance. But conductors and motormen are equally reckless, often starting their cars as passengers are in the act of getting on or off, thus throwing them to the pavement. Such accidents are clearly avoidable under proper rules and regulations, that penalize the servants of the companies for such recklessness. Allowing that it took a full month to kill and maim 5500 persons, if the same rate is maintained for a year it means that some 66,000 persons will receive injuries, fatal or otherwise, from the various railway systems within the city limits. How long is it going to take to convert the entire population into corpses or cripples? The Public Service Commission can do no better service to the public than devise and enforce better methods for safeguarding the lives of our citizens.

* * * * * *

Probably the best way to insure greater safety on our street railways would be to touch the pockets of the corporations owning them, but they have a way of putting off claimants for damages for indefinite periods till they weary them of the strife and their claims are forgotten or compromised for small sums. If claims for personal injuries were given precedence in the courts, and judgments made preferred claims against the companies, payable as soon as rendered, it would tend to compel them to adopt better safeguards and to enforce proper regulations. At present it may take two or three years to adjudicate a personal injury claim in the courts; the damage claimants are in the same position as other creditors, and must be content to await payment till the company is ready to settle. After all, the quickest and surest way to obtain prompt indemnity for personal accidental injuries is to carry accident insurance in some reputable accident insurance company, of which there are many. Under such a policy it is only necessary to present proofs of injury to secure the immediate payment of the amount guaranteed in the policy. The figures quoted above show that accident insurance is daily growing to be more and more of a necessity and that no prudent person can afford to do without it. The chances of one's being injured by means over which he has no control are multiplying with a rapidity that is perfectly astounding.

AT a recent convention of life insurance men the question was brought up as to whether it was profitable for agents of life insurance companies to solicit accident and health insurance. One gentleman stated that when the suggestion was first made to him to solicit accident insurance he scouted the idea of spending his time looking for $25 or even $100 premiums. On investigation, however, he ascertained that some agents were adding $1500 to $7000 a year to their incomes by placing accident and health insurance, and he finally concluded to try it himself, and found it an easier matter to sell accident and health policies for small premiums than life policies for larger payments. Several other agents related similar experiences. Live, active life insurance agents usually have a large circle of acquaintances, many of whom are their clients, every one of whom ought to, and sooner or later will, carry accident and health insurance. It certainly is no derogation of the dignity of any agent to use his best efforts to sell any kind of legitimate personal insurance, and accident and health insurance is so near akin to life insurance, that life agents might well regard it as a part of the system of protection to the assured's person, and to his family or other dependents. The companies generally issuing accident policies are sound, solvent, trustworthy corporations, having large volumes of assets to guarantee their contracts. Accidents are so numerous in these days that every man is liable to be injured at any time, and every one gets sick sometime, and if they are prudent they will protect themselves with insurance that will indemnify them from any loss that may result from accidental injuries or illness. The opportunities for selling such indemnity have no limitations. What can be done in the accident and health field is well illus-

trated by the success of the firm of E. E. Clapp & Co., managers of the accident and health department of the Fidelity and Casualty Company for New York, New Jersey, Massachusetts and Rhode Island. They have represented the company for a number of years, and have established many branch offices, doing exclusively a personal accident and health business. In the year 1906 they paid in to the company nearly $1,-200,000 in premiums, a record never equaled by any other accident agency in the world. The commissions upon this volume of business provide a handsome renewal income for their sub-agents and solicitors. The public needs accident and health insurance, and there is no reason why life insurance agents should not deal in it with profit to themselves, the companies and the public.

THE rapidly growing number of so-called "nickel theaters" throughout the country, and especially in the larger cities, constitutes an increasing fire danger which underwriters must consider. The moving picture show usually occupies a ramshackle building, and its operation is attended by dangers which too often are scarcely guarded against at all. The quickly-moving strip of film, which frequently exceeds one mile in length, passes before a powerful light, with which it is likely to come in contact in event of the breakage of the film. As the latter is made of celluloid, and is therefore very combustible, and even explosive, it is manifest that the utmost caution is necessary if trouble is to be avoided. In some shows the danger is augmented by using acetylene gas as the illuminant. There have been a number of fires and several fatalities caused by moving picture films. In the course of an article bearing on this subject, Fire Marshal Creamer of Ohio recommends that the booth for the machine should be metal lined, and the film should be unwound from a metal box and simultaneously rewound in another box below, each having an automatic shut-off to close it when the film parts. In England it is required that the booth be of iron, and that the operator shall be locked in.

A GENTLEMAN who is thoroughly posted as to insurance affairs in Maine, calls our attention to the fact that a premium note given by the insured when taking a mutual fire insurance policy issued by a mutual company of that State constitutes a first lien upon the insured property, so that assessments are likely to be collected whether agreeable to the insured or not. As a general thing, however, in other States, the losers by fire who hold mutual policies lack this safeguard, and when assessments become too frequent the loss claimants stand a good chance of going unpaid. Looking at the matter from another point, it appears to be a rather risky step for the Maine farmer to subject himself to the liability of losing his property by means of excessive assessments, due to poor management or otherwise, when for a few dollars he can procure safe insurance and know exactly what it will cost him.

AS the Attorney-General of Minnesota has given as his opinion that the Insurance Commissioner has no power to require the insurance companies operating in that State to report to him a classification of their business in the State and also in the entire country, the fire insurance companies have escaped compulsory classification, for the present, at least. It is altogether probable, however, that legislative authority will be some day given to demands for data of this nature, unless the companies themselves forestall the legislators and co-operate in reporting their business, by classes, to some central bureau, which latter shall digest the total classified returns for the purpose of advising all concerned as to the actual fire cost of each class of risks. This information would doubtless afford the best obtainable basis for estimating the future fire cost, under normal conditions; and premium rates calculated upon such a foundation would undoubtedly be more susceptible of satisfactory explanation to the insured than are those made by any plan now in vogue.

AT Richmond, last week, the twelfth annual convention of the National Association of Local Fire Insurance Agents was well attended and, in the main, contented itself with upholding its previous enunciations of principles on the various subjects of greatest interest to its members. It was decided that The Bulletin should henceforth carry a list of companies to be preferred by agents because of their satisfactory methods. More definite limitations of territory in agents' certificates of authority will be sought, as well as sole agencies and contingent commissions. Some excellent papers were presented, among them being one by Frank Lock, manager of the Atlas. Mr. Lock favored the contingent commission idea, told the agents that they must educate the people as to insurance matters, and said that "in the last analysis people make their own rates and their own conditions." The association appears to be in a prosperous condition, and its friends seem amply justified in anticipating for it a long continued period of usefulness.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

The new insurance law of New York requires that the names of twelve directors (half the full board) shall be put in nomination to be voted for at the next election of the New York Life, which will be held on April 8, 1908. On that date the terms of office of twelve directors will expire. Of these eight were elected by the policyholders at the election last December, and four new directors have been chosen by the board to fill vacancies. Following are the names of the candidates nominated by the board of directors of the New York Life for the vacancies required by law to be filled at the April 8, 1908, election, to be known as the administration ticket, and of the three persons appointed by said board jointly or severally to receive proxies to be voted for said nominees, to wit: Hon. John E. Andrus, Yonkers, N. Y.; Hon. Julius Fleischmann, Cincinnati; Thomas P. Fowler, New York; Rowland G. Hazard, Peacedale, R. I.; A. Barton Hepburn, New York; Granger A. Hollister, Rochester, N. Y.; William R. Innis, New York; Woodbury Langdon, New York; Robert J. Lowry, Atlanta, Ga.; Henry C. Mortimer, New York; William B. Plunkett, Adams, Mass.; Elbridge G. Snow, New York.

Proxies appointed—Alba B. Johnson, Philadelphia; Hon. Horace H. Lurton, Nashville, Tenn.; Elbert D. Murphy, Brooklyn, N. Y.

All these gentlemen are of high standing in business circles and possess the best qualifications to administer the affairs of large business and financial enterprises.

George G. Hynson, formerly general agent of the Fidelity Mutual Life at New Orleans, has moved to this city, and is located at 220 Broadway.

BOSTON AND VICINITY.

Relative to the question of life insurance by savings banks, F. T. Aiken, treasurer of the Worcester County Institution of Savings, Worcester, Mass., at the convention of the American Bankers Association, at Atlantic City, N. J., the past week, said:

I am obliged to confess that I can see no merit in it beyond that of ingenuity. Perhaps as a savings bank official, and therefore fairly conservative in my point of view, I am timid in welcoming such an innovation; but it seems to me that it is very desirable that savings banks, which are pre-eminently the banks of the thrifty wage-earner, should be kept free from any undertaking that is in a measure speculative and experimental, as the savings bank insurance plan, even by its friends, is admitted to be.

There really can be but one excuse for this measure, namely, the hope that it may provide cheaper life insurance for the wage-earner; but it seems to me that there is no substantial ground for such a hope. In all our large centres of population it will cost the insured as much to get his premiums to the bank by his own effort as would be his contribution, in the salary of the collector provided by the company.

A well-known agent, speaking of the current year in the life business, had this to say: "With one or two exceptions, business has been decidedly dull in this neighborhood. In addition to the general unrest our life insurance occasioned by the events of the last two years and the tight money market, we have had to contend with very bad weather conditions in this locality, which seriously interfered with spring and summer trade. The big stores did practically no spring business. The few offices which show no falling off or an actual increase accomplished this feat by an unusual amount of hard work, together with new term contracts. Boston business men have been virtually inundated with "literature" on the term plans. This has resulted in one case in an increased volume over last year, but with largely decreased premium income. Seventy per cent brokerage is being offered on ordinary life by one office; fifty per cent and two renewals by another, and sixty by a third. The outlook for the fall is decidedly better, and the remaining months of the year will witness a grand hustle on the part of everybody."

There is very good ground for believing that the Mutual Direct Life, the over-the-counter scheme, will die "a-borning." The requisite amount of capital and surplus has not yet been raised, and may never be. The actual responsibility attendant on starting a life company cannot fail to have a sobering effect upon men of integrity, such as the sponsors of this plan are.

James P. Parker has become associated with E. J. O'Neil as associate manager of the New England department of the United States Fidelity and Guaranty. The new copartnership is known as O'Neil & Parker.

At its fall meeting and banquet the Boston Life Underwriters Association, on October 25, at Young's Hotel, will have, as guests and principal speakers, President Charles J. Edwards and Vice-President H. C. Cox of the National Life Underwriters Association and President E. H. Allen of the Canadian Life Underwriters Association. Other prominent guests are expected.

NOTES FROM PHILADELPHIA.

Conditions in the plate glass insurance business in this city have reached such a demoralized state that every company is losing money now, and leading agents predict the forming of a compact in the near future.

C. B. Fuller has been made secretary of the National Relief Assurance Company, with headquarters in the Drexel Building. Mr. Fuller has already made quite a record as an accident underwriter here with the Columbian Relief Association and the Federal Casualty.

The Philadelphia Association of Life Underwriters held its first regular fall meeting at the Hotel Walton on Thursday afternoon last. E. E. Rittenhouse, Insurance Commissioner of Colorado, was the guest of honor, and delivered an address at the dinner which followed the meeting.

The board of directors of both the Philadelphia Rapid Transit Company and the Pennsylvania Railroad Company have had brought to their attention recently the disproportionate amount being paid out of earnings to cover damage suits, and the first-mentioned company has decided to hereafter fight a much greater percentage of such cases through the courts, while the latter company is seriously considering a similar move looking to the reducing of the amount paid on account of damage claims.

THE NEW ENGLISH MORTALITY AND LIFE TABLES, 1891-1900.

By Frederick L. Hoffman.

The recent publication of the first volume of the Decennial Supplement of the Annual Report of the Registrar-General of England and Wales brings forward the work commenced by Dr. Farr more than half a century ago. The report consolidates the mortality of England and Wales for the decade ending with 1900, and upon the basis of the facts secured, two new life tables have been calculated—one for England and Wales as a whole, and the other for selected healthy districts, which, during the decennium, had corrected death rates of 14 per 1000 or less during the decennium. Each table gives the facts separately for males and females, and for the purpose of convenient comparison the report contains the corresponding results of three preceding general life tables, and of two preceding life tables for selected healthy districts. In addition the volume contains a mass of detailed information regarding the course of mortality, the changes in the death rate, and the mortality from specified causes in the different sections of England and Wales. The report constitutes a substantial, trustworthy and useful contribution to the science of vital statistics and the mortality basis of life insurance calculations. As has been the custom from the time of Dr. Farr, the report includes an elaborate discussion of the most important results of the mortality observed, prepared by John Tateham, M. A., M. D., Fellow of the Royal College of Physicians, who had the assistance of A. C. Waters, F. S. S., chief clerk of the General Registration Office, and of F. Finch, who was chiefly employed in the construction of the new life tables. The work should receive the critical consideration of every actuary and others interested in advancing the science of life contingencies.

The report calls attention to the improved state of the public health during the decennium period under consideration and suggests caution in the use of crude death rates, which indicate a decrease in the mortality greater than actually occurred. It is pointed out that a considerable share of the fault in the crude death rate depends upon changes in the age constitution of the living, and this quite independently of other causes. The progressive decline in the corrected death rate of both sexes was from 21.74 in 1841-'50 to 21.51 in 1861-'70, to 18.19 during the ten years ending with 1900. The table which follows shows these changes in the death rate during the last two decennial periods, separately for each sex, per 1000 living for each period of life.

ENGLAND AND WALES. RATE OF MORTALITY, 1881-1900.

RATIO PER 1000 LIVING AT EACH PERIOD OF LIFE.

Ages.	Males.			Females.		
	1881-90.	1891-00.	Change.	1881-90.	1891-00.	Change.
			%			%
0-4	61.6	62.7	+1.8	51 9	52.8	+1 7
5-9	5.4	4.3	—19.4	5 3	4.4	—16 9
10-14	3.0	2.5	—16.9	3.1	2.6	—17.4
15-19	4.3	3.8	—12 3	4.4	3.7	—17.0
20-24	5.7	5.1	—11.7	5.5	4 5	—19.5
25-34	7 8	6.8	—13 0	7.4	6 1	—17 6
35-44	12.4	11.5	—7.3	10.6	9 6	—9 4
45-54	19.4	19.0	—2 2	15.1	14.7	—2.4
55-64	34.7	35.0	+0.7	28.5	28.4	—0 1
65-74	70.5	70.4	—0.1	60.4	60.7	+0.5
75+	162.7	160.1	—1.6	148.1	146.5	—1 1
All ages	19 8	19.3	—2 4	17.7	17.1	—3 4

It is shown that the decrease in the mortality has been greater for females than for males, and the differences are quite pronounced at ages 15-34. At ages 5-14, however, the mortality of females is very slightly in excess of the corresponding mortality of males, but at all other ages the mortality of women is below the corresponding mortality of men. There was a very slight increase in the mortality of children under five, which, no doubt, bears some relation to the decline in the birth rate.

The mortality of certain districts having a corrected death rate of 14 per 1000 or less was calculated separately, both in the form of mortality tables like the preceding and of life tables, to which I shall have oc-

casion to refer later. There were 260 such districts with an aggregate population of not quite 4,500,000, among whom there occurred during the ten years under consideration 680,971 deaths. The mean annual death rate among this number was 12.79 per 1000. The corresponding death rate of healthy districts during the preceding ten years was 13.82. It is significant that the lower mortality prevailing in many districts during recent years made it possible to adopt a still more rigid standard of mortality as a basis of healthfulness, and that while formerly the rate of 15 per 1000 was assumed as a maximum, the present rate has been taken at 14. It is hardly necessary to point out that the districts which experience the lowest death rates were almost exclusively those which were either entirely rural in character, or small towns with rural surroundings. The table which follows shows, in contrast, the general death rates for England and Wales at specified periods of life, together with the corresponding death rates of healthy districts and the differences per 1000.

COMPARATIVE MORTALITY OF HEALTH DISTRICT, 1891–1900.
RATIO PER 1000 LIVING AT EACH PERIOD OF LIFE.

Ages.	Males.			Femalfs.		
	England, Wales.	Healthy Districts.	Difference per 1000.	England, Wales.	Healthy Districts.	Difference per 1000.
0-4	62 7	38.0	24 7	52 8	30.8	22.0
5-9	4 3	3 2	1 1	4 4	3 2	1.2
10-14	2 5	2.0	0 5	2.6	2.3	0.3
15-19	3 8	2 9	0.9	3 7	3.5	0.2
20-24	5 1	4 4	0 7	4.5	4 2	0.3
25-34	6 8	5 3	1 5	6.1	5 0	1 1
35-44	11.5	7 4	4.1	9 6	6 7	2 9
45-54	19.0	12 1	6 9	14.7	10.0	4.7
55-64	35.0	23 9	11 1	28.4	20 9	7 5
65-74	70 4	55 6	14 8	60.7	49.6	11 1
75+	160 1	151.0	9 1	146.5	138.9	7 6
All ages	19.3	13.5	5 8	17.1	12.5	4 6

The table requires no extended comment, but emphasizes the decidedly more favorable mortality in healthy districts than in England and Wales generally. The population living in selected healthy districts forms about 14.6 per cent of the total. The range of the rates for a large number of districts is between 12 and 14 per 1000, but one district had a rate as low as 10.4.

Considering that a large number of cities and towns in the United States occasionally report death rates between 8 and 12 per 1000, it is extremely doubtful whether such death rates can be accepted as trustworthy, certainly not without being corrected for probable decided differences in the age and sex distribution of the population. While, in other words, death rates as low as 10 per 1000 may be experienced in rural sections or small villages, it is extremely doubtful whether large cities which report a death rate of less than 14 per 1000 actually secure a complete statement of the entire mortality, or whether there is not a serious over-estimation of the population.

While for many years the errors arising out of material differences in the age and sex distribution of the population have been recognized by English authorities on vital statistics, practically no attempt has been made to correct our American death rates in a similar manner, and as the result the crude death rates used for many communities are very far from being a correct index of local sanitary conditions. Merely to emphasize the necessity for such correction, I may add that while the crude death rate of Sheffield in 1904 was 16.8 per 1000, the corrected death rate was 18.1, and while the crude death rate of Liverpool was 22.6, the corrected death rate was 24.2.

COMPARATIVE ENGLISH LIFE TABLES, 1871–1900.
BORN AND SURVIVING AT EACH AGE.

Ages.	Males.			Females.		
	1871-80.	1881-90.	1891-00.	1871-80.	1881-90.	1891-00.
0	100,000	100,000	100,000	100,000	100,000	100,000
5	73,407	75,149	75,028	76,262	78,324	78,214
10	70,899	73,348	73,430	73,838	76,615	76,527
15	69,642	72,619	72,537	72,496	75,906	75,550
20	68,003	71,256	71,171	70,795	74,432	74,177
25	65,708	69,381	69,389	68,486	72,479	72,539
30	63,004	66,928	67,320	65,842	70,005	70,582
35	59,886	63,965	64,817	62,884	67,099	68,215
40	56,308	60,492	61,596	59,611	63.891	65,301
45	52,237	56,444	57,701	56,017	60,401	61,918
50	47,698	51,764	53,089	52,090	56,430	58,032
55	42,468	46,298	47,585	47,744	51,638	53,311
60	36,501	39,840	40,952	42,284	45,768	47,304
65	29,716	32,248	33,234	35,617	38,550	39,830
70	22,206	23,863	24,663	27,723	29,922	30,917
75	14,496	15,389	15,861	19,057	20,421	21,069
80	7,735	8,002	8,230	10,894	11,454	11,807
85	3,079	2,987	3,132	4,763	4,813	4.993
90	802	679	772	1,423	1,342	1,433
95	118	75	106	253	212	249
100	8	3	7	23	16	24

The report points out that the utility of life tables is now so well established as a means of comparing the changes in mortality at different ages in successive periods of time, that it has been deemed advisable to construct two new life tables, one for England and Wales, and one for the selected healthy districts. Of these tables I have made an extract for selected ages, showing first the number born and surviving at each age during the decennium 1891-1900, in comparison with the life tables prepared for the two preceding ten-year periods.

The report points out that while by the earliest life table, that is for 1838-'54, a million males born would be reduced to half a million in the forty-fifth year of life, and that by the table for 1871-'80 this amount of reduction would be effected by the forty-eighth year, and by the table for 1881-'90 not until the fifty-second year, the new table shows that the same amount of reduction was reached in the fifty-third year of life. While out of every 1000 males born, 145 would attain to age 75 by the life table for 1871-'80, 159 now attain to that age. These gains continue to about the eighty-fifth year of life, at which age the number of males surviving is now slightly less than by the first of the three life tables used for the purpose of comparison, but somewhat greater when comparison is made with the period 1881-'90.

The preceding table is followed by another, showing the expectation of life at selected ages in the same manner, separately for both males and females.

COMPARATIVE ENGLISH LIFE TABLES, 1871–1900.
EXPECTATION OF LIFE AT EACH AGE.

Ages.	Males			Females.		
	1871-80.	1881-90.	1891-00.	1871-80.	1881-90.	1891-00.
0	41.35	43 66	44.13	44.62	47.18	47.77
5	50.87	52.75	53.50	53.08	54.92	55.79
10	47.60	49.00	49 63	49.76	51 10	51.97
15	43.41	44.47	45 21	45.63	46.55	47.61
20	39.40	40.27	41.02	41.66	42.42	43 44
25	35.68	36.28	37.01	37 98	38.50	39.37
30	32.10	32.52	33 07	34 41	34.76	35.39
35	28 64	28.91	29 24	30.90	31.16	31.52
40	25.30	25.42	25 64	27 46	27.60	27.82
45	22.07	22 06	22 20	24 06	24.05	24.20
50	18 93	18.82	18 90	20.68	20.56	20.64
55	15 95	15.74	15 79	17 33	17.23	17.24
60	13 14	12.88	12 93	14.24	14.10	14.10
65	10 55	10.31	10.34	11.42	11.26	11 27
70	8 27	8.04	8 05	8 95	8.77	8.78
75	6 34	6.10	6 15	6.87	6 68	6.70
80	4 79	4 52	4 62	5 20	5.00	5 05
85	3 56	3.29	3.45	3 88	3.71	3.80
90	2 66	2 37	2.58	2 90	2.75	2.87
95	2.01	1 72	1 95	2.17	2.05	2.23
100	1 61	1 24	1 51	1 62	1.54	1.81

The report points out that the average life time of males by the new table is 44.13 years, which is 4.22 years more than in 1838-'54, 2.78 years more than in 1871-'80, and 0.47 years more than in 1881-'90. The effect of a somewhat higher infant mortality during the ten years under consideration requires to be taken into account, but while there has been a gain at nearly all subsequent ages, the gain is not as pronounced as anticipated. By reference to the first table it will be observed that the favorable changes in the death rate are practically limited to ages under 45, and that the decided improvement in public health has been chiefly of benefit to the young, and in particular to children, with the exception of infants during the first one or two years of life. It is evident that even a decided improvement in the death rate at certain ages may not produce a very substantial effect upon the expectation of life, which of course is the foundation principle of life insurance premium calculations.

The new healthy district life table gives an expectation of life at birth for males of 52.87 years, against 44.13 years for males for England and Wales considered as a whole. For females the differences are equally pronounced and for both sexes they continue practically throughout the whole of life, except at the very extreme ages.

The report points out that the advantage of expectation in the healthy districts as compared with the whole of England and Wales in the last decennium was not less than 8.74 years for males and 7.94 years for females. And if the comparison is carried back to the early period of 1838-'54, it is shown that the expectation of life in the healthy districts in the last decennium was about one-third greater, both for males and for females, than it was in the general population in 1838-'54.

The preceding tables are merely given to illustrate the great prac-

COMPARATIVE ENGLISH LIFE TABLES, 1849-1900.
HEALTHY DISTRICTS EXPECTATION OF LIFE AT EACH AGE.

Ages.	Males.			Females.		
	1849-53.	1881-90.	1891-00.	1849-53.	1881-90.	1891-00.
0	48.56	51.48	52.87	49.45	54.04	55.71
5	54.39	57.05	58.26	53.93	58.01	59.53
10	51.28	53.07	54.16	50.88	54.01	55.46
15	47.20	48.62	49.67	47.04	49.68	51.06
20	43.40	44.41	45.37	43.50	45.62	46.93
25	39.93	40.39	41.32	40.17	41.71	42.86
30	36.45	36.52	37.32	36.85	37.91	38.82
35	32.90	32.70	33.32	33.46	34.16	34.79
40	29.29	28.92	29.37	30.00	30.38	30.81
45	25.65	25.19	25.49	26.46	26 56	26.84
50	22.03	21 53	21.74	22.87	22.75	22.92
55	18.49	18.00	18.12	19.24	19.06	19.12
60	15.06	14.66	14.72	15.69	15.56	15.59
65	12.00	11.60	11.61	12.58	12.36	12.36
70	9 37	8.88	8.84	9.85	9.53	9.48
75	7.15	6.56	6.56	7.52	7.14	7.10
80	5.37	4.70	4.78	5.64	5 23	5.24
85	4.00	3.30	3.45	4.19	3.77	3.83
90	2.99	2.31	2.50	3.11	2.71	2.80
95	2.25	1.62	1.83	2.33	1.96	2.07
100	1.69	1.17	1.36	1.75	1.44	1.55

tical value of the work referred to, which, in addition to the tables, contains an extended explanation of the methods of construction employed in the calculation of the different life tables under review. Changes in the mortality rate at different ages are fully explained by tables in detail, showing the mortality from specified causes, with rates calculated for every disease and every period of life, with distinction of sex. Finally, in the form of an appendix, the reports contain all the essential facts of mortality by sex, age and cause for the 631 registration districts, including the crude and corrected death rates, marriage rates, birth rates, and the proportion of deaths from childbirth and puerperal fever. It is a matter of profound regret that we should not have a similar mass of carefully collected information subjected to critical analysis by trained experts thoroughly familiar with the medical and mathematical aspects of the problems and questions considered. It is, however, a satisfaction to know that we are in a fair way of obtaining similar results since a beginning has been made in the publication of an annual volume on the Vital Statistics of the Registration Area of the United States, under the directiou of Dr. Cressy L. Wilbur, chief of the division of Vital Statistics of the Census Office, Washington, D. C. It is to be hoped that in time the necessary actuarial assistance will be obtained by the department upon much the same basis as the Registrar-General's office, which has for many years had the advantage of a thoroughly equipped staff, familiar with both the medical and mathematical requirements of mortality and life table construction. The value to insurance companies of such contributions to knowledge cannot easily be over-rated, and in due consideration of the arduous labor involved in the accurate calculation of mortality and life tables, those who perform this service are entitled to the gratitude of the insurance world.

THE MIDDLE STATES.

New Manager for the Liberty Life of New York.

Herman Leroy has been appointed general manager for the Liberty Life Insurance Company of New York. The company was recently chartered under the laws of the State of New York with a capital of $100,000 and a surplus of $50,000 fully paid in. It is intended to increase both, materially, in the near future. William H. Lynn, the president of the company, and his associates are all men of repute and wealth. The offices are at the Trinity building, 111 Broadway, New York city.

Mr. Leroy is an experienced insurance man, having been in the services of both the New York and the Mutual Life of New York, while for the last four years he has held the position of superintendent of agents with the Germania Life.

Provident Savings Control.

F. A. Heinze would not admit yesterday that he was negotiating with E. R. and O. F. Thomas for the sale of their controlling interest in the Provident Savings Life Assurance Society. It has been reported that a syndicate of Philadelphia capitalists had become interested in the enterprise, and was considering terms which it is understood the Thomas-Heinze interests are willing to accept. Timothy L. Woodruff and his friends, who took over the Provident Savings Life soon after the disclosures of the insurance investigation, sold out to the Thomas-Heinze banking group several months ago. Mr. Woodruff is still president of the institution.

Mr. Heinze's interest in the purchase, it has been generally believed, was small. The controlling interest changed hands at about the time Mr. Heinze was obtaining control of the Mercantile National Bank with the aid of his friends, the Thomases, and it was then said that he had gone into the Provident Savings Life with them in return for their help in furthering his banking ambitions. He went into the bank last winter when copper was mounting upward and the stocks of his various mining enterprises were booming. In those months he considered several plans for the extension of his banking interests and also for the enlargement of the Provident Savings Life, all of which have been going further and further into the background as copper metal and copper stocks have been losing in the market.

One of the matters in which he was interested when the financial horizon was brighter was the purchase of Thomas F. Ryan's interest in the Washington Life, a deal which was called off after the March slump. Although officers of the company denied yesterday that there had been any new change in the control of the Provident Savings Life Assurance Society, and neither Mr. Heinze nor the friends of E. R. Thomas, who was himself out of town, would admit that a sale of the stock had been made, it was generally believed in Wall street yesterday that the control was in the market. It was said last winter that Timothy L. Woodruff and his associates parted with their stock to the Thomas interests at something over 500. The company has a capital of $100,000, and has outstanding insurance of more than $100,000,000.—New York Times, September 27.

[The Provident Savings' matters are still in abeyance. Certain negotiations are in progress, but the outcome cannot at present be predicted.—Editor THE SPECTATOR.]

THE WEST.

Western Union Life Insurance Company.

In the short period of nine months the Western Union Life of Spokane, Wash., has placed on its books over $2,600,000 of insurance. This is an especially good showing, inasmuch as the company has confined its operations to Washington and Idaho. The fuuds amount to more than $150,000 and are being steadily augmented. A most desirable form of contract is being issued, embracing accident and sickness, as well as life insurance, and giving every liberal feature of modern practice. The residents of its home State bave shown their coufidence in the company, not only by taking insurance with it, but by subscribing liberally to its authorized capital of $200,000. An efficient managerial force is in charge of its affairs as follows: R. L. Rutter, president; Thomas G. Thomson, vice-president; Philip Harding, secretary; T. H. Brewer, treasurer, and F. B. Corrue, superintendent of agencies.

Ohio Legislation.

The Stewart legislative committee, which was appointed to draft a new insurance code for Ohio, has turned down several of the bills offered by the Committee of Fifteen. The Stewart committee does not believe in limiting salaries of insurance officials to $50,000, and it evidently sees no harm in paying pensions to officers or agents who are put on the retired list. The committee disapproved the bill prescribing the form of annual statement to be made, also the bill forbidding companies to be represented by corporations and stock companies as agents. Action was deferred on the bill providing for the annual apportionment and accounting of surplus. The committee will meet again on October 22. If the bill of the joint legislative committee becomes a law, it will go into effect on April 1, 1909.

—Stephen S. Worth has been appointed medical director of the Security Life of America, succeeding Henry H. Brown, resigned.

—President John M. Holcombe of the Phœnix Mutual Life will address the Chicago Life Underwriters Association at its meeting on October 29.

—Walter R. Gilbert has resigned as manager of the Mutual Life at Cleveland. E. M. Post, manager of the company at Indianapolis, will succeed to Mr. Gilbert's position.

—H. B. Overesch of Lafayette, Ind., has been appointed resident director of the North American Life of Newark for Indiana. Mr. Overesch's record in August was $200,000 paid-for business.

—The Attorney-General of Oklahoma has been in conference with the Insurance Commissioner as to the advisability of issuing an order that hereafter no life companies will be allowed to do business in the State unless possessed of a paid-up capital stock of $100,000.

—Frank Ferguson, former manager of the Provident Savings Life at Des Moines, is organizing the Iowa Life at Waterloo, Ia. It will have $100,000 capital and $25,000 surplus, and expects to be ready for business about January 1. About half the stock has been subscribed.

—The Old Colony Life of Chicago is about to enter Wisconsin. T. J. Gannon will be State agent. Also the State of Tennessee by January 1, when O. H. Looney of Nashville will be in charge. Texas will be entered by the middle of October, and Missouri and Ohio hy January 1.

—The Great Western Life of Kansas City has made an announcement in which it is shown that the company wrote $8,933,000 in the first 134 days of its existence. In April it wrote $1,042,000; May, $1,016,000; June, $1,253,000; July, $2,014,000; August, $3,604,000. Up to September 24 $4,000,000 had been written during that month.

—L. C. Davis, supervisor for the Central and Southwestern department; L. B. Messler, formerly manager for Missouri and Illinois, and Wm. A. Burch, field superintendent for the Columbian National Life, resigned as of October 1, to become connected with the United States Annuity and Life of Chicago. Mr. Davis will be supervisor for Illinois and Michigan; Mr. Messler, manager for

Eastern and Southern Illinois, and Mr. Burch, manager for Cook county. These men have all had long experience in the insurance business, are strong personal producers and organizers of demonstrated ability, and their ability along these lines is expected to materially increase the agency force and business of this Western institution.

—The United States Annuity and Life of Chicago has been licensed to do business in North Dakota. Jos. P. Graber, formerly connected with the Mutual Life of New York in South Dakota, has been appointed State manager, and will have his headquarters at Fargo. This makes nine States in which this company is now operating.

MISCELLANEOUS LIFE NEWS.

Massachusetts Insurance Department Life Report.

Frederick L. Cutting, Insurance Commissioner of Massachusetts, has issued the text of his report for 1907 on life and casualty insurance companies. He refers to the legislation of the recent session of the legislature, including "over-the-counter" insurance companies, charters for two of which have been granted, the savings-bank life insurance plan and the amendments to the law relating to life insurance. The following are extracts from the report:

VALUATION OF SECURITIES.

In its 1906 report this Department introduced the feature of putting its own value upon the stocks and bonds of insurance companies, and this year it has followed that precedent. While it is not in all respects satisfactory, chiefly owing to the difficulty in ascertaining the proper values of some of the inactive and closely held securities, it nevertheless seems to this Department that it is much to be preferred to the former method of accepting any value for a security that any company, no matter how urgent its needs to show as large a total of assets as possible, saw fit to attach to it. If now there could be some method of co-operation between the various Insurance Departments, whereby all Departments would use the same rates, furnished by some broker or brokers of established reputation, it would be a still further improvement; but this would involve having all the stocks and bonds of all companies rated as of December 31, and the forwarding of these quotations to the companies, as well as to the Departments, in time so that they could be employed by the companies in making up the schedules to accompany their annual statements. Otherwise, it would devolve upon each Department to take each list of stocks and bonds of each company and find the value of each separate security on the broker's rating—a task which this Department has found by experience to be one of no small magnitude for three hundred or more companies, some of which have at least eight hundred different securities, the market values of which must be thus computed. If some scheme of co-operation between companies and Departments can be devised, by which this work could be curtailed and each security be given the same rating in each company and by each Department, it would be a consummation devoutly to be wished. * * *

DEFERRED DIVIDENDS AS A LIABILITY.

A majority in number and amount of the policies of some of the life companies transacting business in this Commonwealth are on the deferred dividend plan, and there are very few companies which do not have some policies outstanding of this character. There is little uniformity in the method adopted by the companies in dealing with the accumulation of profits held for this class of policies. Some companies sedulously make an annual provisional apportionment to their deferred dividend policyholders, and charge the amount so apportioned as a liability in their accounts. Others go through the form of making a tentative apportionment each year, but do not charge as a liability the sum so apportioned and held, and it consequently appears as surplus, thus presenting the anomaly of carrying as surplus funds what has already been set aside provisionally as profits accrued and held for a certain class of policyholders. A few other companies will not admit that they have any obligations on account of deferred dividend policies which may properly be charged as liabilities. Under their method of treating their accounts nothing has been even tentatively credited to a holder of a twenty-year deferred dividend policy, for instance, although the policy may have been in force for nearly the whole period. They claim there is no liability until the twenty years have expired, and then the company's only liability is what it may at that time apportion. This is not a very comforting thought to deferred dividend policyholders, especially in these days, when companies are straining every nerve to make as large a showing as possible on annual dividend policies. The question has already been asked whether there is anything to prevent the company which makes no provisional apportionment to its deferred dividend policyholders from distributing to the annual dividend policyholders a part of the accumulations from deferred dividend policies, if the company has charged no liability on account of such policies. * * *

METHODS OF APPORTIONING DIVIDENDS.

The equitable apportionment of dividends of life insurance companies is a difficult and perplexing problem. One of the first things to be considered is at what point in the life of a policy it is entitled to a dividend. If a policy costs the company for the first year 100 per cent of the premium paid on the policy, ought the holder of that policy to come into the annual apportionment of the profits of the company? Certainly from a cash account point of view he has contributed nothing, but rather caused the company loss. But, viewed in another light, it may appear differently. Without a doubt, new risks assumed by a company have higher vitality than those that have been in the company for a long period. The introduction of new risks, therefore, on the whole, adds to the vitality and so improves the condition of the company. Should not this improvement be taken into account in the distribution of dividends? The old member has contributed his cash towards the profits, but the new member has contributed to improve the average vitality of the company, and his contribution, worked out in dollars and cents, might perhaps be the equivalent of the money that has been contributed by the old member. But this is only one phase of the problem, and it may be said, in general, that actuaries do not always agree in respect to methods of apportioning the surplus. * * *

PUBLICITY AS A REMEDY FOR CORPORATE EVILS.

The harvest of impaired confidence tends to strengthen the position of those who say that the remedy for correcting the evils of corporate management, and especially the evils that have developed in life insurance, is publicity, coupled with competition. Now, there is no doubt that if there could be a high degree of publicity many things that are done under cover would not be attempted, for all shrink from being pilloried by public sentiment. Those who advocate publicity as a deterrent force hold that with it there need be fewer laws. They can see no use for a statute limiting expenses, or the volume of business, or fixing the conditions of loans to policyholders, or prescribing annual dividends or surrender values, or in any other way attempting by rule to make the companies deal justly with the policyholders.

While this is in the main true if a high degree of publicity could be enforced, it should nevertheless be remembered that publicity is a very elusive thing. It came in 1905 through the investigation, which was the result of a great moral and political upheaval in respect to rotten business methods adopted not only by certain insurance companies, but by other allied financial interests of Wall Street. No State can say, "Let there be publicity," and forthwith expect that all corporations will immediately reveal all their secrets. Nay, a State may lay down the rules for enforcing publicity with a good degree of positiveness and definiteness, and an Insurance Department exhaust its resources in selecting language to make the requirements exact and positive, still there will always be some companies which did "not know what was meant" by the questions, and when the probe is inserted to find out just what the conditions are it is more than likely that it will be ascertained that there are strong reasons why the company sought to dodge the inquiries. To attain publicity in cases where it is most needed requires not only the force of law, but eternal vigilance. A publicity statute never enforces itself. To talk publicity without also coupling with it supervision to see that there is real publicity is to talk nonsense. * * *

Semi-Annual Statements of Life Insurance Companies

Compiled from the semi-annual reports of life insurance companies licensed to transact business in Georgia, for the six months ending June 30, 1907:

	Total Admitted Assets.	Liabilities, Including Capital	Six Months, 1907. Income.	Six Months, 1907. Disbursements.
Ætna Life, Hartford	$85,987,294	$80,804,288	$8,010,047	$7,293,548
Citizens Life, Louisville	807,517	603,979	337,840	256,663
Columbian National, Boston	3,757,805	3,257,783	812,310	511,886
Connecticut Mut. Life, Hartf'd.	66,321,496	......	4,067,814	4,065,692
Des Moines Life	1,953,554	1,721,014	442,890	359,726
Equitable Life, New York	436,175,167	372,441,251	37,678,563	27,867,406
Fidelity Mutual, Philadelphia	14,163,950	12,651,874	2,565,008	1,387,457
Franklin, Springfield	3,637,218	3,155,823	606,528	367,242
Germania, New York	38,094,011	33,388,099	3,356,882	2,555,834
Home Life, New York	19,731,144	18,619,495	2,012,515	1,355,816
Illinois Life, Chicago	6,370,170	6,265,508	886,684	772,992
Life Ins. Co. of Va., Richmond	3,201,013	2,902,255	1,221,560	957,593
Manhattan, New York	19,728,937	18,178,387	1,575,769	1,332,447
Maryland Life, Baltimore	2,685,693	2,341,646	204,463	160,965
Massachusetts Mutual, Springf'd	45,271,379	41,533,376	5,005,402	3,106,135
Meridian L. & T., Indianapolis	1,104,739	964,314	295,658	144,209
Metropolitan, New York	188,962,663	174,156,300	34,538,779	22,119,746
Michigan Mutual, Detroit	10,076,158	9,716,527	997,588	845,471
Missouri State, St. Louis	1,101,707	976,123	293,951	218,688
Mutual Benefit Life, Newark	109,224,426	101,191,912	10,736,277	7,126,318
Mutual Life, New York	510,659,221	427,222,575	39,708,447	25,910,918
Mutual Reserve Life, N. Y.	5,808,513	5,705,013	1,879,801	1,867,291
Nat'l L. of U. S. of A., Chicago	7,673,909	7,427,178	1,163,711	636,273
Nat'l Life of Vt., Montpelier	37,636,534	33,367,945	3,549,790	2,205,640
New England Mutual	43,280,366	39,853,255	4,023,017	2,915,720
New York Life	488,000,000	425,000,000	51,772,621	27,729,576
Northwestern Mut., Milwaukee.	228,347,073	219,086,092	19,837,951	14,291,329
Pacific Mutual	13,392,082	12,753,463	2,472,884	1,758,742
Philadelphia Life, Philadelphia.	1,100,714	853,924	387,710	209,247
Prudential, Newark	136,593,554	117,288,162	28,265,853	17,561,169
Penn Mutual, Philadelphia	87,446,429	81,283,065	9,990,371	5,791,458
Phœnix Mutual, Hartford	23,098,841	22,088,341	2,095,250	1,442,325
Provident Savings, New York	9,723,416	9,613,658	1,802,732	476,945
Reliance, Pittsburg	2,405,366	1,733,220	312,944	188,137
Reserve Loan, Indianapolis	1,745,192	1,619,702	318,259	260,621
Security Life of Am., Chicago	1,526,437	983,656	952,779	138,367
Security Mutual, Binghamton	4,285,034	3,807,609	830,291	6 9,417
Security L. & Ann., Greensboro	466,795	333,349	182,518	102,318
State Mutual Life, Rome, Ga.	1,032,709	819,867	942,412	605,888
So. States Life, Montgomery	277,822	223,391	98,131	45,124
Sun Life, Montreal	25,999,958	23,538,255	2,725,865	1,654,035
State Life, Indianapolis	5,890,375	5,158,350	1,420,483	958,677
State Mutual Life, Worcester	30,147,990	27,272,479	2,913,877	1,909,175
Travelers, Hartford	55,588,476	48,933,610	8,124,279	6,020,173
Union Central, Cincinnati	59,099,655	56,533,042	6,645,928	3,283,995
Union Mutual, Portland, Me.	13,229,016	12,686,451	1,331,095	934,796
Volunteer State, Chattanooga	386,760	341,372	140,103	124,283
Washington Life, New York	18,527,073	18,302,579	1,582,298	1,479,409

—"The Whole Case Against Assessment Life Insurance" is the title of an interesting document published by The Underwriters Review of Des Moines. It gives the membership and death rate of a number of fraternal orders and assessment companies for a series of years.

—At the recent convention of the National Association of Insurance Commissioners, President Reau E. Folk was instructed to appoint a committee to investigate the subject of taxation of insurance companies. Mr. Folk has appointed the following committee: Insurance Commissioners, Henry F. Prewitt, Kentucky; James V. Barry, Michigan; A. I. Vorys, Ohio; B. F. Crouse, Maryland; Fred W. Potter, Illinois; B. F. Carroll, Iowa; Otto Kelsey, New York, and John A. Hartigan of Minnesota.

—Among the attractions offered in the October Century are: "Eleanor Robson as 'Constance' in Robert Browning's 'In a Balcony,' " frontispiece; "Hunting the Ancestral Elephant in the Fayum Desert," Henry Fairfield Osborn; "The Surprises of the Lottery," a story, Owen Johnson; "Of Laura-Matilda," a story, Dorothea Deakin; "The Outlook for Tariff Reform," Samuel W. McCall, M. C.; "The Maid of the Manor" (The Century's American artists' series), Douglas Volk; "St. Julien of Le Mans" (French cathedrals), Elizabeth Robins Pennell; "Come and Find Me," VII., a novel, Elizabeth Robins; "Esquire," a story, Robert Haven Schauffler; "The Immortals," Charles J. O'Malley; "The Play is Not the Thing," a story, Anne Warner; "Whitman in Old Age," third paper, Horace Traubel; "The Stricken Mountaineer," Hamlin Garland; "The Shuttle,"

XII., a novel, Frances Hodgson Burnett; "Eli Packer's Inheritance," a story, Harriet A. Nash; "Recollections of Distinguished Men," I., Ulysses S. Grant, Oliver O. Howard, major-general U. S. A., retired; "Topics of the Time," A Great Sculptor.

INDUSTRIAL INSURANCE

The Prudential of England.

Changes of a far-reaching character are being carried out by Britain's mammoth company, the "Prudential," the effect of which will be felt throughout the whole industrial life business on this side. For so gigantic are the operations of this office that other companies employed in the same class of business have no choice but to endeavor to follow as far as possible its lead. In March, 1906, the directors resolved upon transferring the sum of £750,000 from the reserve fund and placing it back into the life assurance fund of the industrial branch, by which operation they were enabled voluntarily to increase the sums assured under the company's Table A in that branch by 2½ per cent, the immediate effect of which was to increase the sum assured under ten millions of policies, and it was foreshadowed that ultimately no less than thirteen million policies would be affected. The latest development is that, after payment to the shareholders of a fixed annual sum as dividend, four-sixths of the "remaining profits" of the year—as defined in the regulations—are to be distributed by way of an addition to the sum assured, under policies which have been in force over five years, and when the policies become claims. Moreover, the services of the outside staff are to be specially recognized. For one-sixth of the "remaining profits" is to be distributed among agents who have served not less than two years prior to January 1, in the year in which the profits are declared. Equally interesting is the announcement of a crowning honor to the veteran organizer of the company, Sir Henry Harben, now in his eighty-fourth year, and in recognition of his conspicuous services, the office of president of the company has been specially created, and Sir Henry appointed to hold the position during his life-time. The office of "president" is quite a rare thing with British companies.

Prudential Leaders.

According to the last published reports, the following superintendents of the Prudential were leading in industrial increase for the year: V. W. Kenney, Baltimore 3; G. S. Wainwright, Washington; A. X. Schmitt, Chicago 2; J. Pauer, McKeesport; Z. T. Miller, New York 8. The leading agents are: J. T. Quinn, Baltimore 3; J. C. Allen, Chicago 2; M. L. Dilts, Peoria; S. S. Koffler, New York 5; D. Balaity, Philadelphia 9.

The superintendents who lead in ordinary increase are: J. R. Russell, Pittsburg 1; C. W. Godfrey, Hartford; J. S. Kendall, Chicago 1; A. X. Schmitt, Chicago 2; H. R. Kendall, Louisville.

John Hancock Changes.

The John Hancock reports the advancement, due to meritorious service, of the following named agents to assistancies in the districts in which they are employed: Alfred Day, Buffalo; Samuel R. McLaughlin, Detroit; Edwin C. Dow, St. Louis 3; Ray L. Bartlett, Springfield; James O'Brien, Providence; Gove E. Potter, Camden.

Assistant Thaddeous Brennan has been transferred from Woonsocket to Albany. Charles K. Hackenbrock has been changed from agent to application inspector at Brooklyn 5. Ira R. Van Valer has been changed from inspector at New York 1 to Jersey City to act in the same capacity.

The Non-Lapsers.

Tucker, of the Newport News district of the Life Insurance Company of Virginia, has shown the rest of the force that he can get along for seven weeks without a lapse. If lapses were drinks Tucker would make a great camel. Three other Virginians have shown themselves to be good men when it comes to fighting lapses. They are Dixon of Danville, Stone of Richmond, and Epps of Roanoke, who have escaped for five weeks. Loux of Norfolk, Lewis of Greensboro, Clary of Spartanburg, Lagrove of New Orleans 3, and Lawton of Terre Haute, have not had a lapse for four weeks, and there are six men in the three-week class.

Got the Money.

Among the good collection records made recently, the Life Insurance Company of Virginia reports the following high percentages: Butler, Second Orleans, 193 following 106; Taylor of Lake Charles, 112 following 115, 100 and 116; Register, Wilmington, 119 after 103 and 113; Hodsden of Petersburg, 105 following 109, 101, and no lapses in three weeks; Lloyd of Washington, 102 and 112; Banks, Richmond, 162; Steinmeyer, Charleston, 105 after 100 and 101; Deneaux, Charleston, 105 on top of 100 and 102.

Are Now Assistants.

The Prudential has advanced the following men to the rank of assistant: J. Colwell, Brooklyn 7; W. G. Malloch, Trenton; A. D. Skalitzky, Milwaukee 2; J. E. Musey, Hagerstown; J. C. Cook, Des Moines; J. G. Helbert, Kansas City, Kan.; W. M. Hightower, St. Louis 2; W. E. Davies, Detroit; F. A. Matthews, Detroit; D. G. Mulvihill, Boston 4; B. E. Warner, Akron; W. S. McLane, Steubeuville; W. E. Shafer, Trenton; C. Sommer, Orange; E. H. Cochrane, Paterson.

—J. W. Veach, a solicitor of the Baltimore Life at Altoona, Pa., is mysteriously missing.

—While the cost of living has gone up immensely, some life companies are putting out more attractive policies than ever before issued.

—The several superintendents of the Prudential have held a number of meetings last month and have started the fall campaign off at a good clip.

—Assistant Thaddeus D. Brennan of the Woonsocket district of the John Hancock, has been promoted to the detached office at Amsterdam, N. Y.

—F. C. Herrick, assistant at Brooklyn, leads all the Colonial assistants for the year, with respect to industrial. The ordinary leader is J. Conley, Brooklyn.

—The Prudential has appointed H. M. Swords, formerly assistant superintendent at Princeton in the Vincennes district, superintendent of South Bend, Ind.

—George J. Huntzinger, formerly superiutendent of the Metropolitan in Newark, N. J., is regaining his health aud expects to re-enter the business at an early date.

—J. P. Zimmer, formerly assistant at Racine, Wis., has been appoiuted to succeed J. E. Whitaker as superintendent of the Oshkosh district of the Prudential.

—The leadiug ordinary agent of the Colonial for 1907 is M. Misick of Brooklyn. The industrial agent having first honors is J. Grantling of Hoboken, followed by T. M. Devers, West Philadelphia.

—William H. Stewart, superintendeut of the Metropolitan Life at Birmingham, Ala., has been made superintendent of agencies for the Southwest territory, with headquarters in New York.

—At the last district meeting of the Colonial Hoboken staff a challenge was framed, and through its manager sent to the home office, calling on Easton for the last quarter of 1907—best two out of three.

—Assistant McGraw has been transferred by the Metropolitan from Buffalo to London, Ontario, succeeding Norman E. Adams, who has been promoted to the superintendency of Hamilton (Ontario) district.

—Superintendent W. H. Stewart, formerly supervisor in the Birmingham (Ala.) district of the Metropolitan, has been promoted to superintendent of agencies for that department, with headquarters at the home office in New York.

—W. F. Smith, recently superintendent in Wheeling for the Life Insurance Company of Virginia, has been appointed traveling assistant superintendent. G. W. Pruitt becomes assistant in Raleigh, N. C., succeeding J. E. Lane, resigned.

—The Colonial forces seem to have gotten into the fall swing in good shape, and every indication points to an unexcelled record for the closing quarter of the year. Inasmuch as last year's returns have already been beaten, it is clearly evident that 1907 will furnish a delightful surprise to its field staff and friends.

—The semi-annual meeting of the Superintendents' Association of the Prudential Insurance Company was held in the Chittendon Hotel, Columbus, last month. Division Manager James L. Dexter was present from the home office. The following officers were re-elected to serve for the coming six months: President, D. A. Leonard, Youngstown; secretary and treasurer, G. R. Kendall, Steubenville.

—Manager W. J. Burn of Brooklyn still holds his own as the Colonial leader for industrial increase. Williamsburgh, for more than three years the leader, is still kept in second place by the exertions of Brooklyn. The contest is certainly a very interesting one. Others who are closely following are: Manager H. J. Whitaker, Harlem; Manager J. I. McLeod, Pittsburg, and Manager D. E. O'Neil, Bronx. The ordinary leader among the managers is W. J. Burn, Brooklyn, and after him may

be mentioned, H. J. Whitaker, Harlem; L. P. Welsh, Trenton, N. J.; L. Janson, Williamsburgh, and W. L. Griffin, Jersey City.

—The Albauy district of the Johu Haucock held its sixth annual outing last month, which was a great success in every way. The Lynn district also had a very successful outing, and the fall campaign was carefully plauued. Leading up to the outing and really a part of the outing was a new-business contest, in which the office was divided into two sides under Messrs. Cleveland and Davenport as captains. The contest was won by Captain Davenport by a very small margin, the winners being dined by Superintendent Butterworth. Captain Cleveland's men are not satisfied and have challenged Captain Davenport for a second contest for iucrease during the next three months.

—The most recent changes recorded among the Colonial representatives are: Appoiutments to Assistancies—Calvin M. Crouse, South Bethlehem; Bion I. Brown, Pittsburg; Rudolph Woerner, Harlem; George Murphy, Paterson; S. Rae Orcutt, Paterson; Walter R. Hunt, Easton; William K. Weiss transferred from Bethlehem to Allentown; Louis A. Guiney, Norristown; Ira E. Holt, Camden; Thomas Nelson, Brooklyn; Edward Le Fave, Williamsburgh. D. M. Hunter is advanced from an assistancy at Eastou to the managership at York. George A. Spohr, Yonkers; Edward Scherf, Newark; Thomas L. McKim, transferred from Yonkers to Bronx; Oscar Newman, Trenton; H. Hewson, Plainfield; E. B. Wise, Easton; Joseph A. Conway, Manayunk, and John H. Carr, New Brunswick.

—F. S. Strobridge, president of the Baltimore Life, has returned to his office after an absence of three months spent at Ocean Grove, N. J. The medical director, Hector H. Goodman, M. D., was with him, and has also returned. Both have been greatly benefited by their residence at the seashore during the summer, aud return full of enthusiasm for the fall and winter campaign. James F. Mohn, manager of the Reading district of this company, celebrated his return to his home after an absence of three months, by the closiug of nine ordinary applications through his individual efforts during the first few days after his return. J. J. Watson, one of the oldest employees of the company, and who has had charge of their West Chester business for a number of years, died last week.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

The underwriters contingent won a notable victory in the commission for revision of the building code in the unanimous report adopted by the commission in favor of the extension of the fire limits of New York, Brooklyn and Long Island City. The new boundaries are practically the outer limits of these cities, and will, if approved finally by the Board of Aldermen, add a large field to the territory in which the future erection of wooden buildings will be prohibited. The opposition to the scheme by real estate owners and agents and builders was strengthened by the influence of politicians, who saw in the opposition a good chance to placate a multitude of people who could only see one side of the subject. But the sturdy common-sense principles advocated by the secretary of the German-American and the president of the Board of Underwriters, seconded by strong mercantile and banking influences, proved overwhelming. Of course, the question is not settled until the seal of approval by the aldermen; but if this body is not insensible of the importance of the matter, they will find a strong and healthy public sentiment in favor of approval. Now is the time for the daily papers to open their editorial columns to advocate a measure of undoubted value to the community.

Frank Lock, manager of the Atlas, made a strong speech before the local agents convention in Richmond, advising that the education of the public into more sensible and lenient treatment of fire insurance companies could better be secured by the activity of the agents than in any other way. This is a practical point for the publicity committee of the New York Board in turning the brokerage element in this city in the same channel. Let the brokers here do what the local agents can do in the country districts.

The use of the Exchange binders with the fifteen-day limit clause is objected to by brokers who desire transfers of interest and of location. There are questions raised by a few companies whether the new location is not the acceptance of a new risk which should be subject to the fifteen-day clause. But there is a loss pending when the fifteen-day clause has expired and was not renewed, which seems to throw the transfer back to the original conditions and makes a difference to one company between a total loss on its policy and a ten per cent loss if the transfer was voided by the patron to extend the limit. The brokers wish to avoid such complications thereafter by striking out the fifteen-day clause from the binders used in such transfers.

One of the evidences of the lively pursuit of sprinklered risks by a group of companies in this city is the vigorous solicitation of such risks from brokers who control them. A contract broker, who has such a specialty of providing sprinklers for various manufacturing establishments, is courted and coaxed to favor the companies in question. There are other brokers who have sprinklered risks who are called upon almost daily by solicitors of companies, and the stereotyped letters which go forth offering lines on these risks must add considerable to the revenue of the postoffice department.

An Albany report states that one of the withdrawn foreign companies, whose deposits are still intact in the hands of the Department and trustees, has endeavored to forestall any attempts to encumber the deposits by revoking its former power of attorney to the Superintendent of the Department to accept service. The Superintendent promptly vetoed the revocation by returning it to the company.

The so-called "recession" in business, by which is meant depression in trade, has certainly struck the local underwriters a hard blow, if the experience of the city departments is correctly stated.

One evening paper this week, in an Albany dispatch, stated that the examination of the Insurance Department by Lawyer Fleming would not begin for a month. Another of the "Yellows" stated, under a glaring headline, that it had already begun. You can pay your money and take your choice between two strictly honest journals at one cent each.

The phrase used in the commissions issued by the fire officer to agents to cover specified cities and towns, "and vicinity," received the attention of local agents at the Richmond convention. They have discovered that it is one of the stumbling blocks in trying to overcome the overhead writing evil. Agents have not only been charged, but convicted, of invading other agents' territory under the authority to write in their own localities "and vicinity." One need not go any further than Union County, New Jersey, to discover that agents in the Hudson river towns have invaded the suburbs of Hoboken and Hackensack and carried off dwelling risks, to the loss of the Hoboken and Hackensack agents. We are pleased to know that the agents recognize the importance of a strict definition of territory in commissions as one of the remedies to cure this trouble.

The September meeting of the executive committee of the National Board of Fire Underwriters was held last week. The committee deemed it advisable that there should be a vice-chairman, and Geo. W. Babb was chosen as such. Mr. Babb presided in the absence of the chairman. Reports were submitted from the committee on laws, on fire protection, on lighting and heating and building construction. Other committees reported progress.

The building code revision committee has unanimously adopted the majority report of its committee on fire limits, against which propertyowners have protested vigorously. No frame buildings may be constructed in Brooklyn, while the southerly limit of frame construction in the Bronx is to be moved from 161st street in a northerly direction to a line drawn across that borough along Fordham and Kingsbridge roads, Pelham avenue and Southern boulevard and the Bronx river. In the borough of Queens, the territory on which only stone and brick buildings are to be permitted include practically all of Long Island City, portions of Jamaica and Richmond Hill, Flushing, Far Rockaway and Rockaway Beach. These recommendations have to be approved by the Board of Aldermen before going into effect.

Agents in Buffalo are laughing over the experience of a brother agent whose dwelling in that city was partially destroyed the other day without a dollar of fire insurance to cover the loss. It is now suggested the agents solicit risks from each other, in order to cover up the excitement among the ordinary wayfarers. It seems to be a case of "physician, heal thyself."

A claim of two-fifths of a cent per annum for return premiums in a rate lately reduced is now in process of collection through a William

street broker. The total insurance involved reaches over $1,000,000, but the gross return collectible is not over $14, whereas the trouble at labor union wages is worth about $50.

BOSTON AND VICINITY.

The Spectator correspondent, a few days ago, visited Old Orchard, Me., and looked over the fifty acres swept by the late fire. The piles of ashes on many of the hotel and cottage sites are being leveled, most of them by junk dealers, some of whom have contracted with underwriters to recover the marketable metal; others dealt with the owners. The salvage promises to amount to considerable, as, in many cases, the handlers of scrap iron ran the bid up to very high figures. The debris where stood the great Hotel Emerson looks the most promising, for the house was well furnished and equipped, and along its entire length, on the ground floor, there were rich booths, cafés and soda fountains. One dealer paid $770 for what he could find in the ruins of this hotel. Tons of twisted pipe, radiators, bath-tubs, window weights and other metal have been hauled off and shipped. The two big furnaces, engine and dynamo still stand above the ash heaps. The silverware is melted almost beyond recognition.

The response to the movement to establish a Boston suburban fire underwriters association, to embrace the cities and towns within the radius of "Greater Boston," have been so numerous and so enthusiastic that it is expected to have the organization complete and in working order before the first of the year. One of the prominent objects aimed at is to have eliminated agents who are not wholly engaged in the business of insurance—who solicit fire insurance merely as a side-line, in connection with the regular business of the individual.

At the moment of writing, word comes that Frederick B. Carpenter, of the prominent insurance firm of George O. Carpenter & Son, is in a very critical state, and that his death seems to be only a matter of hours, or days, at the longest.

The first regular meeting of the New England Insurance Exchange for the fall and winter was held last Saturday. The factory improvement committee's report on thermostat systems was adopted. This permits a percentage allowance in rates for improvements to these systems. Ralph E. Gardner was appointed stamp clerk at Haverhill.

The recess committee of the legislature, which is conducting an inquiry into fire insurance of this Commonwealth, has resumed its sittings. A hearing will be given on October 2 on House Bill No. 600, which relates to the apportionment and distribution of dividends in mutual fire insurance companies .

The British American of New York has notified the Insurance Department of its withdrawal from the State, dating from September 2.

The Cambridge Mutual has reinsured the Boston business of the New Jersey Fire, which recently stopped business.

THE MIDDLE STATES.

—Egbert F. Ashley of Rochester, N. Y., died recently, aged fifty-one years.

—James J. Reeves, one of the oldest agents in Bridgeton, N. J., died in that town recently.

—The Pittsburg (Pa.) business of the New Jersey Fire, which discontinued business some days ago, has been reinsured in the Shawnee Fire.

—George F. Nelson, a Jersey City insurance broker, committed suicide at Atlantic City recently while suffering from a temporary attack of insanity.

—Walter C. Howe, who has been appointed Eastern New York special agent of the German-American, is a nephew of Vice-President Howe of the Niagara Fire.

—The "Insurance Directory of Greater New York, Newark, Elizabeth, Jersey City, Bayonne and Hoboken" for 1907-1908 has been issued by The Insurance Record. It presents lists of insurance companies, managers and agents, giving also the names of the companies represented by each of the latter.

THE NEW ENGLAND FIELD.

Hartford Gossip.

[From Our Own Correspondent.]

Attorney-General Marcus H. Holcomb had formally advised Insurance Commissioner Theodore H. Macdonald not to reverse his decision prohibiting the Columbia Marine of New Jersey from writing lines on automobile collisions. The Commissioner, in harmony with decisions of both New York and Massachusetts, held that such policies were of a liability character and not within the writing province of a fire or marine company. The Attorney-General rendered his opinion after reading voluminous arguments by Attorney Kneeland of New York city, representing the company at the recent hearing.

The agency firm of Wakefield, Morley & Company, general agents for Connecticut for the Royal, has secured the services of John F. Gaffey, who has been in the reinsurance department of the Connecticut Fire for five years. Mr. Gaffey will be special agent in the Wakefield-Morley office.

George Brinley of the Hartford Fire home office has been appointed special agent for the Eastern New York field, with headquarters in Albany. Underwriter.

Hartford, October 1.

—The Massachusetts Fire Insurance Union has elected the following-named officers: President, John M. Stevenson; vice-presidents, Henry G. Morse, Walter L. Harris; secretary and treasurer, Charles F. Danforth.

THE WEST.

—The Commonwealth Fire of Ottumwa, Ia., has been admitted to Oklahoma.

—The Eagle Fire has entered Arkansas through the general agency of Arnold, Raines & Co.

—Fred S. Ainley has been appointed Iowa special agent of the Home of New York, to succeed Lee E. Eldridge.

—The American National Fire of Rock Island, Ill., has entered Iowa, appointing John T. Christy its agent at Des Moines.

—M. H. Beck of Detroit, Mich., special agent of the Northwestern National, has resigned to engage in business in New York.

—Robert B. Carson, aged seventy-five, and for thirty years in the field for the Commercial Union, died of heart disease recently at Chicago.

—The Walla Walla Fire has been admitted to Nebraska. L. C. Holloway, with headquarters at Omaha, is resident special agent for the State.

—The Pacific Coast Board has authorized a reduction in fire insurance rates in Montana which is expected to average from twenty to twenty-five per cent.

—J. N. Hutchins, formerly special agent of the Westchester, has been appointed special agent of the American National Fire for Minnesota and Wisconsin.

—A. B. Banks & Co. of Fordyce, Ark., have purchased a controlling interest in the Mercantile Fire of Little Rock, and will operate it in conjunction with other companies.

—E. W. Jewell, special agent of the British America and the Western of Toronto, has resigned to become special agent of the Atlas in Illinois and Michigan, with headquarters in Chicago.

—J. H. Dreher, an examiner in the Western department of the Springfield Fire and Marine, has been appointed special agent for Kansas, with headquarters at Topeka. He will assist State Agent Liniger.

—James A. Patten, of the Chicago Board of Trade, has been elected president of the Calumet Fire. Mr. Patten is one of the largest stockholders of the company and has been a member of its board of directors from organization.

—Suits have been filed in the Circuit Court at Pine Bluff, Ark., by owners of property and the insurance companies affected by the fire which destroyed nearly one hundred residences in the eastern part of the above city in February last, against the St. Louis Southwestern Railway Company for damages amounting to $131,100. The complaint alleges that sparks from the defendant's engines started the fire.

—The result of a recent conference of fire insurance men with Auditor Carroll and the Attorney-General of Iowa in connection with the use of the general average clause under the new standard policy law of that State, ended in an agreement that companies could use the clause without interference by the Insurance Department if they would take their chances of having the clause attacked by claimants under the laws.

—The $500,000 capital and $250,000 surplus of the newly organized Massachusetts Bonding and Insurance Company of Boston will be paid on or before October 15, and the company will commence business shortly thereafter. President T. J. Falvey has associated with himself, Edwin Gott, formerly third vice-president and surety manager of the Title Guarantee and Surety of Scranton; Richard C. De Normandie, for years associated with the Boston and Maine and Boston and Albany railroads, and Geo. W. Berry, formerly with the Boston office of the United States Fidelity and Guaranty. Their respective titles will be announced later.

MISCELLANEOUS FIRE NEWS.

NATIONAL ASSOCIATION OF FIRE INSURANCE AGENTS.

Richmond Convention Accomplishes Some Good Work—More than 200 Delegates Present—Address by Commissioner Barry—Some Excellent Papers Read.

More than 200 delegates answered the roll-call at the inaugural session of the twelfth annual convention of the National Association of Local Fire Insurance Agents, which was called to order in the auditorium of the Jefferson Hotel, Richmond, Va., by President Charles F. Wilson. Coleman Wortham of Richmond, president of the local Underwriters Exchange, welcomed the delegates in an appropriate speech, and introduced Mayor Carlton McCarthy. The mayor made a characteristic speech replete with flashes of wit. He gave the agents a cordial greeting, congratulated the convention upon its attendance and assured the delegates that they would find a welcome awaiting them whenever they came to the capital of the Old Dominion. The speech was punctuated with frequent applause.

James P. Thomson of Minneapolis responded in behalf of the visiting delegates, expressing appreciation for the reception accorded and paying a compliment to the city and State.

The convention then got down to business, and in order to facilitate matters the executive committee passed a resolution to the effect that all resolutions introduced could be debated and should then be referred to the committee on resolutions for consideration and report. The annual reports of the president, executive committee, joint conference, cotton conference, and committee on ways and means, were then submitted and adopted in the order named.

F. W. Offenhauser of Texarkana presided at the afternoon session. Reports were made by the committee on legislation, grievance committee and by the treasurer and the secretary. Hon. J. V. Barry, Insurance Commissioner of Michigan, read a paper on "The Attitude of State Toward Fire Insurance," which was full of interesting and instructive matter, and was by unanimous vote ordered printed in full and distributed. Commissioner Barry said in part:

* * *

In my judgment, justice to the insuring public demands that the so-called preferred business be done away with and that all classifications be placed upon a legitimate paying basis. This would involve the payment to agents of practically the same commission for all classes of risks. The payment of a noticeably higher commission for one class of risks than for another cannot, in my opinion, be successfully defended. Such payment is, as I have previously intimated, simply a frank and complete confession that too much is being charged the propertyowner. There is not the slightest doubt in my mind that if the so-called preferred risks were eliminated from the business and the commission paid for such risks as are classified as preferred under the present system were to be no greater than that paid for any other risk, the personnel of the agency forces of the country would be immediately and vastly improved. The effect would be to drive from the business, the ne'er-do-well and fly-by-night, and thus cause the business which he now preys upon, because of the higher commission paid for it, to find its way into the offices of those who make the business a study and honor and elevate it by their connection with it. The inducement which brings the rag-tag element into the agency business would be removed and this element would disappear. These risks would not go uninsured because not so eagerly sought after by the agent, but would seek insurance without expense to the agent and thus be as profitable to him as they are under existing conditions. Thus would the agency business be placed on a higher plane and those engaged in it be enabled to advance it to its proper place among the professions.

* * *

Two interesting addresses were made in the morning of the second day's session, which was presided over by Vice-President E. W. Beardsley. Frank Lock, United States manager of the Atlas Assurance Company, expressed the views of company officers in an address on "Relations of Company and Agency Associations," and Carroll L. De Witt of Chicago, general agent of the Newark Fire, spoke on "The Field Man's View of the National Association." Frank Lock, in his address, said in part:

* * *

It is stoutly alleged that fire insurance companies constitute a trust. It is for you to make clear and emphatic that in its very nature it is impossible fire insurance companies could ever constitute a trust. New companies can be organized by the simple process of subscription to a moderate capital, which is invested in stocks and bonds. If the company does not succeed it can reinsure its business, sell its stocks and bonds and nobody but the stockholder is much the worse. It is wholly different from enterprises which deal in production or distribution of things material, which things are susceptible of being "cornered" or manipulated. Not so fire insurance, in which there is no effort to control supply or "pool" results. When, too, there is an outcry of "robbery," "shameful imposition," and the like, because a man is called upon to pay an apparently high rate, it is for you to demonstrate that the higher a rate upon a risk, marking intensive hazard, the greater is the difficulty which you agents have to persuade companies to accept the insurance, while when a rate is low, because of light hazard, the companies fall over each other in their eagerness to obtain the business. There could be no surer proof that the so-called "high" rate is not excessive, it has no attraction, otherwise the companies would be fighting each other to share in the fruit of the "robbery and extortion."

* * *

It is necessary that the companies have opportunity to accumulate strength against the next great disaster. I know that in many sections from which you come, the community may have the feeling that they are being unjustly taxed for the benefit of other less profitable parts. Those whose property never burns get impatient at paying premiums from which they get no apparent results. Cities which have not had large fires never expect them. States which have been profitable for a few years to the companies grow restless, but, gentlemen, in the whirligig of time the wheel turns. What was up is down. San Francisco for many years was the most profitable point in the Union. Now San Francisco will not turn its loss into profit to insurance companies either in your lifetime or that of your grandson.

* * *

Your community has its money worth for premiums in peace of mind, quiet from the fear if disaster and ability to obtain credit. It is worth while to continue paying premiums for these things even if they do not get their money back for fire loss, and we companies are using our best endeavors to equalize the tax as between man and man. Yours is the opportunity to do a great work in enlightening your people as to these elementary things, as to the soundness of the principles on which the business is established, and which has "made good" through the test of centuries.

Speaking on the question of co-operation in connection with the conduct of fire insurance, General Agent Carroll L. De Witt said in part:

Much has been said and written relative to co-operation in connection with the conduct of our business. The necessity for it is generally admitted, but there are wide differences of opinion as to the proper method of application. However, to have co-operation we must of a necessity co-operate.

Calling to mind a field man, representing a large company, a forceful speaker and an able writer, whose ideas of co-operation are excellent, but whose practice is far from ideal, Mr. De Witt said that this one theoretical co-operationist had done more to demoralize conditions in his State than any other dozen men or companies.

At the afternoon session, presided over by Fred Guenther of Detroit, an interesting address was delivered by J. H. Southgate of Durham, N. C., on the subject of "Incorporated Agencies." The speaker contended that incorporated agencies are inimical to the welfare of such organizations as the Eastern and Western Unions, the South-Eastern Tariff Association, and others whose activities benefit not only the companies, but their agents and the insuring public. "Equal cost to consumers and equal pay to agents," should be the rule.

The committee on resolutions made the following report, which was unanimously adopted:

Uniform Schedules—The National Association notes with satisfaction the movement among companies toward greater uniformity in schedule rating.

Incorporated Agencies—The secretary is instructed to investigate reported objectionable practices of incorporated agencies and report to the executive committee which shall take such action in the matter as may seem advisable.

Agency and Brokerage Companies—It is recommended that the joint conference committee seek the co-operation of companies in making a careful analysis of practices of companies in order that the members of the association may better know which are enemies of the American agency system and more consistently prefer our friends. It is further recommended that the list of said companies to be preferred by agents in placing business be printed on the first page of each monthly issue of The Bulletin, this list to be approved by our grievance committee, and labeled: "Cut this out and keep it before you."

Brokerage—Local agents are reminded of the importance of strict observance of the brokerage rules of the National Association to the end that legitimate brokers may be recognized and illegitimate brokers eradicated.

"And Vicinity" Clause—The joint conference committee is requested to urge upon the careful consideration of companies the belief of this association that the trouble involved in amending agents' certificates of authority by making territorial limits definite, will be much more than made good by the benefits derived from such amendment.

Uniform Blanks—We recommend that our members of the joint conference committee again request companies to prepare standard daily report and account current blanks for the use of companies which may be willing to accept them.

State Legislation—State associations are requested to provide for a permanent committee on legislation composed of their best qualified men, and that the said committees work in close harmony with the national committee on legislation.

Grievances—It is recommended that each State association not having a grievance committee, immediately appoint one so that local grievances may be taken up by the said committee before being referred to the National Association, which should be used as a court of appeal. In cases of special emergency, however, where prompt action is needed, as in the case of local rate wars, the grievance committee of the National Association is authorized to act direct, according to its discretion, as has heretofore been the practice.

Multiple Risk Industries—We recommend that this matter be referred to the joint conference committee with request for early consideration.

Ownership of Expirations—The rules of procedure formulated during the past year respecting the rights of agents and companies in the case of a reinsuring company, are approved, as follows:

Agents of a reinsured company shall continue the business with the reinsuring company until expiration. The reinsuring company will re-

spect the expirations of agents of the reinsured company, and not solicit renewals from the insured. The reinsuring company will furnish schedules of the reinsured company to its agents everywhere for the purpose of enabling them to make endorsements. Agents of the reinsuring company will be instructed not to solicit expirations where business of the reinsured company has been acquired by legitimate practices. It is also recommended and urged that all State associations and all local boards adopt the following rule in respect to expirations:

In the solicitation of the transfer of a company, members of this board shall consider the knowledge of expirations of risks placed with them by fellow members, or coming into their possession by the reinsurance of a company or transfer of a company from one agent to another, as confidential, and the soliciting of such risks by them or by others over whom they have control shall be considered as a violation of the rules of the board and contrary to the spirit if personal honor upon which the association is founded.

Multiple and Side Line Agents—It is recommended that local boards adopt a rule governing future appointments reasonably adopted to local conditions with a view of bringing all appointments eventually down to a sole agency basis, and we pledge the support of the National Association to all local boards in their efforts to make such rules effective. We reaffirm our opposition to the appointment of side-line, non-recording and soliciting agents, and recommend that agents take on any reputable new companies seeking appointments with a view to preventing any increase of incompetent agents whose service is detrimental to the interest of all concerned. It is recommended that all State associations follow the example of Connecticut, Missouri and Illinois in making an annual canvass of multiple appointments maintained by differeut companies in those States, with a view to publishing the records in their annual reports and comparing the practices of companies from year to year.

Commission—We reaffirm the action taken at Indianapolis as follows: Recognizing the demand for a reduced expense ratio, we recommend for the earnest consideration of companies and agents uniform flat and contingent commissions on all classes of business throughout the country. We further recognize that the proposed reduction in expenses cannot be effective without the readjustment of rates in many localities, and that such a reduction would be unjust to agents without the equitable regulation of salaried or local managers, and as rapidly as practicable, the elimination of multiple agents.

Business Men's Associations—The co-operation of the National Associatiou is tendered to business men's organizations iuterested in improving insurance conditions, and we especially endorse the position taken by the National Credit Men's Association against the multiplication of inefficient agents as essentially detrimental to the interests of property-owners.

Association Unity—It is strongly recommended that State associations work more closely in unity with the National Association and exercise special care in the selection of secretaries who should be as far as possible paid for their services, secretaries of State associations to work in co-operation with the National Association in promoting the general efficiency of the organization as well as in strengthening local bodies.

Amalgamation with Casualty Association—We approve the decision of the executive committee against the joint operation of our associations and the casualty association, but we heartily commend such organization of casualty agents and will do all that is practicable to encourage and support it.

American Agency Bulletin—We recommend that the executive committee proceed at once to formally take over The Bulletin in whatever way may best serve the interest of the organization.

H. N. Pinkham, chairman of the committee on nominations, presented the following officers for election to serve the year ensuing who were elected:

President, F. D. Offenhauser, Texarkana, Tex.; vice-presidents, E. W. Beardsley, Hartford, Conn.; Fred Guenther, Detroit, Mich.; A. W. Neale, Cleveland, Ohio; E. B. Case, Chicago, Ill.; L. W. Childrey, Norfolk, Va.; B. L. Baldwin, Omaha, Neb.; H. N. Pinkham, Portland, Maine; F. G. Lumpkin, Columbus, Ga.; J. N. Manson, Wausau, Wis.; E. H. Forry, Indianapolis, Ind.; J. W. Alexander, Alexandria, La.; secretary, Henry H. Putnam, Boston, Mass.; treasurer, W. H. Mandeville, Olean, N. Y.; chairman executive committee, James P. Thomson, Minneapolis, Minn.; chairman grievance committee, J. H. Southgate, Durham, N. C.; chairman legislative committee, George D. Markham, St. Louis, Mo.; chairman organization committee, Frank R. Leib, Harrisburg, Pa.

The retiring president expressed thanks for the courtesies extended during his administration, and the new president being conducted to the chair returned thanks for the confidence reposed in him.

The meeting then adjourned.

A social feature of the convention which was most enjoyable was a trolley ride to Lakeside Park, and a reception and luucheon at the convention club, in honor of the visiting ladies and delegates, were delightful to all participants. Several special cars were chartered to take the party to the pleasure resort. The local committee was tireless in its efforts to entertain the visitors, who left much pleased with their trip to Richmond. Most of them went to the Jamestown Exposition for several days before returning to their homes. The city of St. Paul was chosen as the next place of meeting for the annual convention.

—An assignment for the benefit of creditors has been made by the agency firm of Carruthers & Bradley of Toronto.

—The Virginia Association of Local Fire Insurance Agents has elected the following officers for the ensuing year: Coleman Wortham, Richmond, president; B. F. Kirkpatrick, Lynchburg, first vice-president; W. B. McChesney, Staunton, second vice-president; Samuel T. Pulliam, Richmond, secretary and treasurer.

Casualty, Surety and Miscellaneous

The North American Accident Insurance Company.

A special accident policy is being issued by the North American Accident Insurance Company of Chicago, which, at the low cost of $5 per annum, provides liberal indemnities for injuries caused by accidents occurring while riding as a passenger in any couveyance for the use of passengers, including automobiles and bicycles, or in a burning building, or while walking on a public highway by being injured by a conveyance, or through the explosion of a boiler, or in consequence of freezing, or at the hands of any burglar or robber. The indemnities provided are $2000 for loss of life, or both eyes, or both hands, or both feet, or one hand and one foot; $500 for the loss of hand or foot; $200 for the loss of one eye, or $15 per week for disabling injuries not exceeding six weeks for any oue accident. The weekly indemnity also applies in case of disablement as the result of any anaesthetic when administered by a regular physician, or in consequence of sunstroke. Each purchaser is supplied with a pocket-book and identification certificate, and the expense of placing the insured in case of his being disabled in care of his friends will be paid up to $100. Gifford, Forrest & Gifford of 88 La Salle street, Chicago, are the exclusive managers for this contract.

Insurance Stocks.

On September 28 the following bids were reported for stocks of trust and surety companies: American Surety, par $50, bid 180; Bond and Mortgage Guaranty, 325; Lawyers Mortgage, 185; Lawyers Title Insurance and Trust, asked 230; National Surety, 115; New York Life Insurance Trust, 1000; Title Guarantee and Trust, 420; Title Insurance Company, 140.

Pacific Mutual Issues New Policy.

The Pacific Mutual Life has issued a new industrial disability policy in which these new clauses appear:

Each consecutive monthly premium paid under this policy shall add one per cent to any claim under the total loss benefits clause arising subsequent to such payment, until such additions shall equal sixty per cent.

Iu the event of claim arising under this policy due to either accident or illuess resulting directly or indirectly, wholly or in part, from any chronic disease or infirmity, from tuberculosis, rheumatism, paralysis, apoplexy, orchitis, neuritis, locomotor ataxia, lumbago, strains, lame back, sciatica, vaccination, Bright's disease, dementia, insanity, hernia, or in the event of any accident otherwise covered by this policy resulting in hernia; then in all such cases referred to iu this clause there shall be payable for loss resulting from the causes aforesaid, full monthly indemnity in the manner and at the rate which would otherwise be payable under this policy, but for a period of time not to exceed one month in any one calendar year, anything to the contrary herein notwithstanding. But no indemnity shall be payable under this policy for any loss due directly or indirectly, wholly or in part, to any venereal disease or to any disease not common to both sexes.

The company also introduces insurance for children, specific sums being paid the assured in case his child is killed or dismembered.

Railway Accidents.

In their annual reports to the Inter-State Commerce Commission, the railroads include returns for all casualties to passengers, employees, trespassers and other persons. The total number of casualties to persons on the railways for the year ending June 30, 1906, was 108,324, of which 10,618 represented the number of persons killed, and 97,706 the number injured. Casualties occurred among three general classes of railway employees, as follows: Trainmen, 2310 killed and 34,989 injured; switch tenders, crossing tenders and watchmen, 147 killed, 1026 injured; other employees, 1472 killed, 40,686 injured. The casualties to employees coupling and uncoupling cars were: Employees killed, 298; injured, 3884. The casualties connected with coupling and uncoupling cars are assigned as follows:. Trainmen killed, 266; injured, 3590; switch tenders, crossing tenders and watchmen killed, 18; injured, 170; other employees killed, 14; injured, 124.

The casualties due to falling from trains, locomotives, or cars in motion were: Trainmen killed, 454; injured, 5215; switch teuders, crossing tenders and watchmen killed, 7; injured, 159; other employees killed, 84; injured, 712. The casualties due to jumping on or off trains, locomotives or cars in motion were: Trainmen killed, 130; injured, 4809; switch tenders, crossing tenders and watchmen killed, 7; injured, 119; other employees killed, 76; injured, 685. The casualties to the same three classes of employees in cousequence of collisions and derailments were: Trainmen killed, 693; injured, 5245; switch tenders, crossing

tenders and watchmen killed, 3; injured, 69; other employees killed, 91; injured, 888.

The number of passengers killed in the course of the year 1906 was 359, and the number injured 10,764. In the previous year 537 passengers were killed and 10,457 injured. There were 146 passengers killed and 6053 injured because of collisions and derailments. The total number of persons other than employees and passengers killed was 6330; injured, 10,241. These figures include the casualties to persons trespassing, of whom 5381 were killed and 5927 were injured. The total number of casualties to persons other than employees from being struck by trains, locomotives or cars was 5127 killed and 4905 injured. The casualties of this class were: At highway crossings, passengers killed, 3; injured, 8; other persons killed, 926; injured, 1884; at stations, passengers killed, 48; injured, 96; other persons killed, 566; injured, 647; at other points along track, passengers killed, 3; injured, 16; other persons killed, 3581; injured, 2254. The ratios of casualties indicate that 1 employee in every 387 was killed and 1 employee in every 20 was injured. With regard to trainmen—that is, enginemen, firemen, conductors and other trainmen—it appears that 1 trainman was killed for every 124 employed, and 1 was injured for every 8 employed.

In 1906, 1 passenger was killed for every 2,227,041 carried, and 1 injured for every 74,276 carried. For 1905 the figures show that 1,375,856 passengers were carried for 1 killed, and 70,655 passengers were carried for 1 injured. For 1895, 1 passenger was killed for every 2,984,832 carried, and 1 injured for every 213,651 carried. With respect to the number of miles traveled, the figures for 1906 show that 70,126,686 passenger-miles were accomplished for each passenger killed, and 2,338,859 passenger-miles for each passenger injured. For 1905 the figures were 44,320,576 passenger-miles for each passenger killed, and 2,276,002 passenger-miles for each passeuger injured. The figures for 1895 show that 71,696,743 passenger-miles were accomplished for each passenger killed, and 5,131.977 passenger-miles for each passenger injured.

Casualty Notes.

—The New York office of the Philadelphia Casualty has been moved from 16 Liberty street to the Royal building at 58 William street.

—The Hartford Steam Boiler has decided to declare a stock dividend of $500,000, increasing the capital stock to $1,000,000.

—The Macon (Ga.) agency of the Metropolitan Casualty and the liability agency of the London Guarantee and Accident have been transferred from Cabaniss & Willingham to Henry Horne & Co.

—Thomas E. Malcom, manager of the liability department of the United States Casualty Company in New York city, who has been seriously ill, was reported slightly better on Monday.

—Henry Bradford of Rome, Ga., has taken into partnership Norris H. Smith. The firm name will be Smith & Bradford and they will represent the Mutual Benefit, Life, Fidelity and Casualty and Employers Liability, as well as a number of fire companies.

—Stewart & Davis of Atlanta, representing the General Accident, Maryland Life and the Metropolitan Surety, has been dissolved by the withdrawal of Mr. Stewart. Mr. Davis has taken into partnership W. Hull Griffin, who has been with the general agency firm for some time.

—Edson S. Lott, David W. Armstrong, Jr., and Wm. Bro Smith have been appointed on a special committee to arrange the programme for the forthcoming annual meeting of the Board of Casualty and Surety Underwriters, to be held October 15 and 16 at the Hotel Manhattan, New York.

—Work on the Pennsylvania Casualty Company's new home office at Scranton, Pa., is being pushed as rapidly as possible. The company intends that its new building shall be one of the most complete and comfortable casualty offices in the country, and every modern convenience for facilitating the handling of business will be provided.

—The Michigan Casualty has been organized and licensed at Grand Rapids on the assessment plan, to write disability insurance, with a funeral benefit of $100. The officers are as follows: President, Edgar J. Strong; vice-president, Peter D. Pearce; secretary, A. L. Marzolf; treasurer, W. J. Clark; auditor, M. Den Herder; general counsel, J. T. McAllister.

—On October 1 the Houston Live Stock of Houston, Tex., a new corporation, will open for business. The incorporators, J. F. Wolters, John H. Thompson, Charles Boedeker, W. T. Eldridge, Dr. I. E. Clarke, A. Hall, Q. U. Watson, W. A. Matthaer, Leonard Tillotson and John Schumacher, will meet to complete the organization in a few days and elect officers.

—The Attorney-General of Massachusetts filed a petition in the Supreme Court against the American Credit Indemnity Company for alleged violation of the insurance laws. The Attorney-General alleges that the company issued an advertisement publishing the assets without mentioning the liabilities or not publishing its liabilities with equal conspicuousness.

—Leo Adrian of Cleveland, recently asked the Central Accident Company to cancel his insurance policy because he knew he was going to be killed and did not want to take an unfair advantage of the company. He later asked the Pennsylvania Accident Company of Scranton to cancel his policy in that company. Mr. Adrian held a policy in the Pennsylvania Casualty for $10,000, and one in the Central for $5000. F. H. Kingsbury, secretary of the Pennsylvania Company, has written a letter to Ralph Butler, of the Central, suggesting that the two companies place a watch on Adrian. Although they have canceled his policies in accordance with his request, they fear that his relatives, in case of his death, might demand payment on the ground of insanity. In his letter to the Central Company, Adrian says he has dreamed, night after night, that he was to be killed, and that he would not live after October 8.

Surety Notes.

—C. R. Hinkle, secretary of the Federal Union Surety, has resigned.

—The Commerce Trust Company of Kansas City is now writing fidelity and surety business in Oklahoma.

—Frank M. Poarch, superintendent of the internal revenue department of the United States Fidelity and Guaranty, died recently at his home in Baltimore from typhoid fever.

—The Kentucky Bankers Association has placed the contract for all burglary, fidelity and bonding business controlled by it during the next three years, with the United Surety of Baltimore.

—James P. Parker, formerly New England manager of the Empire State Surety in Massachusetts, is now associated with Edw. J. O'Neil in the New England management of the United States Fidelity and Guaranty.

—The Massachusetts Bonding and Insurance Company has leased the entire five-story building at 71-81 State street, Boston, and will occupy it about the middle of this month. Edwin Gott, formerly third vice-president and surety manager of the Title Guarantee and Surety, and Richard C. DeNormandie, for the past twenty years associated with the Boston and Maine and Boston and Albany railroads, will be identified with the new company in an official capacity, and George W. Berry, formerly with the Boston office of the United States Fidelity and Guaranty, will be associated with the company.

TOO LATE FOR CLASSIFICATION.

—The Frankfort Marine Accident has been licensed to write burglary lines in New York State.

—General agents of the National Surety Company will meet to-day at the home office in New York to discuss important matters pertaining to the business.

—Wm. Arrott of Philadelphia has been given the agencies of the Rochester German, the Calumet and the German-American of Pittsburg, which were formerly represented by Shubert. Odiorne & Co.

—Godchaux, Shelby & Mioton have been appointed general agents for all lines handled by the United States Casualty in Louisiana and Mississippi. Browder Brothers will retain the personal accident and health agency in New Orleans.

—F. H. Burns, third vice-president of the Maryland Casualty, wishes to have a meeting of the heads of claim departments of the companies writing liability lines in New York city, on October 16. The object of the meeting is to devise means for the proper handling of claims.

—John Lee Bunce, assistant secretary of the Connecticut Mutual Life of Hartford, died on Tuesday after an illness of six weeks. Mr. Bunce was the son of Edward M. Bunce, for many years secretary of the Connecticut Mutual, and was born November 17, 1868.

—An examination of the New Jersey Fire of Camden as of July 31, 1907, showed an impairment of capital of $72,738. The directors have voted to decrease the capital stock from $200,000 to $100,000, thus making good the impairment and providing a surplus.

—District Attorney Jerome has issued subpœnas summoning those indicted in the life insurance cases recently tried in New York to appear before Justice Dowling in the criminal branch of the Supreme Court on Monday next, at 10:30 A. M., to file their pleas. Among the prominent insurance officials who have been served with notices to appear are Walter R. Gillette, vice-president of the Mutual Life, against whom five indictments have been filed for forgery and one alleging perjury; Robert A. Grannis of the Mutual Life, against whom two indictments have been filed alleging forgery and one alleging a misdemeanor; George W. Perkins and Charles D. Fairchilds, formerly of the New York Life, against whom indictments have been found alleging forgery; Thomas D. Jordan, ex-controller of the Equitable Life, against whom eighteen indictments have been filed alleging forgery and one alleging perjury; John R. Hegeman, president of the Metropolitan Life, against whom seven indictments alleging forgery and three alleging perjury have been filed.

THE SPECTATOR:

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UNIFORM ANNUAL STATEMENT BLANKS.

THE amended blanks for the annual statements of the several classes of insurance companies, as adopted at the recent session of the National Convention of Insurance Commissioners, will shortly be placed in the hands of company officials and will require considerable study at their hands prior to their being filled in with the figures of 1907. Several years ago, when the convention first took up the question of a uniform blank, there was good reason for its action, inasmuch as nearly every Department had its own ideas of what should be shown in a company's annual statement. The convention blank, therefore, aimed at uniformity of statement, coupled with simplicity of items called for, so that the companies might readily make up their annual returns for all States. For a number of years the original uniform blank worked to the satisfaction of all concerned, and while minor changes were made from time to time the main features were permitted to remain and the committee on blanks had a comparatively easy task each year. Of late years, however, there has arisen a demand for fuller publicity of insurance companies' accounts, and many statutes have been enacted providing that certain particulars be furnished by the companies in their annual statements. In consequence, the committee on blanks, in amending the uniform blank, have been compelled to take cognizance of these several enactments and make due provision for them, leaving it to the convention itself to determine whether or not any enactment of a single State shall be made compulsory in all. As a rule, the convention has been very complaisant in the matter and accepted the report of its committee on the ground that thorough consideration had been given during a period of months which should not be upset in the course of a few days. The companies, however, are wondering where the demand for information as to their transactions will cease, and also as to the value of supervision which lays bare details pertaining to the business and investments, knowledge of which enables other parties to make raids on them. Undoubtedly the committee on blanks but fulfills its duty when it prepares blanks covering the requirements imposed by every State, but where those requirements are absurd or demanded by only one State, the convention should determine as to their inclusion in the uniform blank. In previous issues THE SPECTATOR has referred particularly to the method adopted in the new blanks of treating increase or decrease in book value of securities as income or disbursements, and several company officials have confirmed our view that it is an absurd method. But the Massachusetts law passed in 1907 requires such items to be inserted in the blank, and the committee felt compelled to put them in, even though it had for several years defeated the same proposition when urged by one of its members, without the law to back him. However, that's another story. The companies must now exercise more careful watch than ever before to see that figures of their statements are not twisted and the official Department reports given as authority.

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Uniformity in the blanks is to some extent commendable, but there are other points which might well be considered by the convention through its committee. Take the question of disbursements as shown in the present blanks, and only an expert can figure out just what the management expenses of any particular company amount to, and it is practically impossible to separate the investment expenses from those chargeable to the conduct of the business. Inasmuch as the laws of some States now impose upon life insurance companies a limitation on the expense of procuring new business, it becomes necessary to show definitely what expenses are incurred for new business. The new committee on blanks should carefully consider this point, and might go even further by stating definitely what each item in the disbursement page is intended to cover, so that all companies would report uniformly, which they do not by any means do now. Add to the foregoing a proper arrangement of disbursement items, so as to show all payments on policyholders' account, those to stockholders, management expenses, investment expenses, taxes, etc., followed by profit and loss account, and there would be less opportunity for misrepresentation of what actually constitutes expenses than is at present afforded by the blanks.

ANNOUNCEMENT is made by Samuel Untermyer, who was the motive power of the International Policyholders Committee in its recent election campaign against the Mutual Life and the New York Life, that he and his committee will not contest the election of the new trustees of those companies who have already been nominated as required by law. The reasons given by Mr. Untermyer for foregoing his pestiferous activity in the matter are, primarily, that the law permits the agents of the companies to work "overtime" for the companies' nominees, and secondly, that Superintendent Kelsey is not a proper person to supervise such election. Like all Mr. Untermyer's statements, the reasons set forth for the withdrawal of opposition are specious and intended to conceal the facts. The truth is that at the elections last fall the committees' nominees were so outrageously defeated as to convince every one, even Mr. Untermyer and his associates, that the policyholders are satisfied with the present management of the companies, and determined that self-seeking outsiders shall not obtain con-

trol of them. Untermyer, Scrugham & Co. put up the best fight they could at that time, prosecuting a campaign of misrepresentation and villification extending over half the year or more, yet when the polls were closed they found themselves overwhelmingly defeated. Under the circumstances it is not surprising that they have no appetite for a renewed contest. In view of Mr. Untermyer's formal announcement, it can be taken for granted that the International Policyholders Committee has been relegated to a position of "innocuous desuetude." But what is the objection to Superintendent Kelsey? Certainly in the matter of the late elections he gave to the opposition every possible facility for conducting their campaign, and when it came to canvassing the ballots he stretched the law to its limit in his liberality in according them privileges not contemplated by the statutes. But they took advantage of his liberality to an extent that led to the indictment of Scrugham and two of his associates for serious offenses, for which they are now awaiting trial.

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Mr. Untermyer ignores the call publicly and repeatedly made upon him to give an accounting of the receipts and disbursements of his committee. When he was soliciting funds for the prosecution of his campaign, he promised to give a detailed account of the manner in which the money was expended, but he remains silent regarding the matter. He is loquacious enough on other subjects, but on this particular topic he is as dumb as the Sphynx. The activities of the committee bore evidence that hundreds of thousands of dollars were being expended to defeat the administration nominees for trustees, and the public would like to know who was putting up the money and how it was squandered. Will not Mr. Untermyer, in his final swan song, unbosom himself in this particular and give the itemized statement of receipts and expenditures as repeatedly promised by him?

TAKING time by the forelock, and with an eye to the mutual benefit of the insured and the fire insurance interests, a New York firm of brokers and adjusters, E. H. Luebbers & Son, has issued a circular letter to its clients directing their attention to the repeated efforts which have been made in the New York Legislature to pass a most drastic anti-compact bill. Such a bill, which was extra-territorial in its character, passed the New York Assembly both in 1906 and 1907 by a large majority, but did not pass the Senate in either year. It is altogether likely that it will reappear in the next session; and in order to acquaint the people with its vicious nature, it would be an excellent plan for every agent and broker in the State to follow the example set by the firm to which reference is above made. The effect of such a bill, if enacted into law, would undoubtedly be to drive many, if not all, of the fire insurance companies out of the State, thus depriving the business interests of one of the main supports of credit, forcing a restriction of the volume of business transacted and causing many citizens to bear fire losses which ordinarily would have been borne by the fire insurance companies. It is difficult to conceive the extent of the disastrous effects which would follow the enactment of so radical a law as the one referred to; for the ramifications of fire insurance are so universal that there are few who would not be directly affected by the withdrawal of fire insurance facilities. The disrupting influence would not only be felt in the State of New York, but the enforced limitation of business activities in the Empire State would communicate itself to the balance of the country and might become a contributing factor in paralyzing important industries in various sections. Even though the business interests should awaken, following the enactment of such a law, and demand and secure its repeal (as has happened elsewhere), much damage would have resulted in the interim. The safest way is to forestall the threatened trouble, and in order to do this the business men of the State should let their representatives in the legislature know, in unmistakable terms, that they are opposed to such iniquitous legislation, the logical working of which would be to involve them in incalculable loss. Every legislator, or at least a majority of each House, should be pledged to vote against any such bill; and agents and brokers should see to it that all important business houses are fully advised as to the danger inherent in the anti-compact bill which passed the Assembly, and urged to promptly exert their influence to counteract the tendency among members of the legislature to favor such dangerous, not to say suicidal, legislation.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

Underwriters who patronize the subway trains are amused by the advertisements in the cars in the name of the "only company not connected with the insurance trust." The proposition of saving fifty per cent in the cost of insurance is one of the mysteries of the language. Whether it means cost to the insured or to the "only company" is unexplained. In the meanwhile, the brokers are offered twenty per cent, and, as the management must necessarily cost something over the brokers' commissions, the problem is how can the business be conducted on the basis of an expense ratio of fifteen per cent, while the commissions, salaries, rent, taxes, etc., are so much in excess. Considering the location of the advertising placard, probably the scheme is worked out by an underground process!

The regular meeting of the Exchange was held yesterday. It was reported on Tuesday that nothing important was likely to be called up, but sometimes matters of real importance are precipitated upon the Exchange suddenly.

A noticeable falling off in the list of questions propounded by the query sheets sent out by the Exchange is one of the signs of improved regularity.

An active canvass for subscriptions on behalf of the Peoples National of Philadelphia has been in progress in this city for a fortnight or more. Calls have been made upon various firms and corporations interested in the dry goods trade, and whose names appear on the affidavit risk lists.

It is the intention of the advisory committee appointed by President Babb to confer with the Board's representatives on the building code revision committee, to make an active campaign for the support of the public civic associations, the daily press and other centers of influence of the recommendations of the commission to enlarge the fire limits of the three boroughs. This recommendation must be finally adopted by the Board of Aldermen in order to give it force and effect.

A singular result of the pending investigation of the affairs and methods of the Metropolitan Traction Company by the Public Service Commission is that the books of the concern are so tied up by the investigation that the adjustment of the loss on the Lenox avenue

car barn has been unavoidably delayed. The adjusters need the books to check up the number of cars burned.

There are fifty-eight companies now interested in the Underwriters Salvage Company in this city, including two marine companies—the Atlantic Mutual of New York and the China Mutual of Boston. All the Hartford companies are stockholders and all the English companies, excepting the Scottish Union and National. Several companies which suffered in the San Francisco fire and retired from business were also among the stockholders.

The movement of reinsurance this season is rather remarkable. Several companies have practically abandoned it entirely, but a few of the older offices still write large lines and take the chances of reinsurance. The reinsurance companies, like the Munich, Skandia and others, whose specialty is reinsurance, appear to keep up their revenue, but all of them have lost some valuable contracts. Their employees smile and say that in a few years the record made by the reinsurance companies of good repute will bring back their old business on a larger scale than ever.

Inquiries are in order relative to the Committee on Publicity which made such a spirited start in its preliminary work last May and then adjourned for the summer.

The companies are near the middle of the tenth month and few of them are willing to admit the results for the year are satisfactory. The puzzle is that, while rates are held up generally, there are large sections where bad practices have cut them down. Excepting in this city, commissions are as high, or higher, than before. The singular part of it is that the general opinion is that the risks, as a whole, have improved, but some of the companies think improvements at the expense of premiums are a delusion and snare.

Some large lines have lately been placed on the contents of expensive suburban dwellings in Westchester county. In a single instance cover was required for $500,000 and was taken in leaps and bounds by about thirty-five companies.

One of our leading life companies is in the market for fire insurance to the amount of $250,000 as partial collateral for a loan upon a new fireproof building in San Francisco, and the brokers are having what may be called a high old time in placing the amount. It was a surprise that a loan of this large sum could be placed here on any Pacific Coast property.

Hall & Henshaw will be general agents for the United States of the Knickerbocker Fire, now being organized.

George C. Morant, manager of the fire department of the Commercial Union and manager of the Palatine of London at the home office, retires at the end of the year.

J. W. DeMott & Co. have been appointed Brooklyn and Long Island agents of the Svea.

Losee & Co. have been appointed Brooklyn agents of the National Union Fire and the Capital Fire of Concord.

J. William Fowler of Brooklyn, one of the oldest underwriters in the city, died suddenly a short time ago.

Thomas H. Stevens of Brooklyn died recently as a result of an operation for appendicitus. He was fifty-eight years of age.

BOSTON AND VICINITY.

The annual report of the Boston Fire Commissioner covering the year ended February 1, 1907, is just published. The fire losses in the city for that period amounted to $1,130,334, compared with $2,130,146 for the same period of 1906.

The Massachusetts Association of Local Fire Insurance Agents will hold its annual meeting in Springfield on the 19th inst.

The Boston Insurance Library Association is about to arrange for the regular series of lectures the coming winter.

The joint recess committee on fire insurance of the legislature gave a hearing Wednesday on a bill asking that mutual companies may classify their dividends. Statistics were presented showing the unprofitable experience of the mutuals on farm property. The law limiting companies to ten per cent of their net assets on a single risk was criticised as meaningless, since it is difficult to define what a single risk is. There was also pointed out the anomaly of these restrictions being placed upon foreign fire insurance companies when such companies transacting fire insurance business are limited as at present.

NOTES FROM PHILADELPHIA.

Joseph T. Sill becomes local agent of the Sun of New Orleans.

The agency of Shubert, Odiorne & Co. was absorbed on October 1 by the William Arrott agency, and Walter J. Odiorne, the active member of the first-named firm, will now devote his time and energy to the brokerage business solely, making the office of William Arrott his headquarters.

Clarence G. Hoyt, formerly counterman of the agency of Shubert, Odiorne & Co., continues for the present at the old office, conducting an insurance brokerage business under the firm name of Clarence G. Hoyt & Co.

J. Howard Brown & Co. have been appointed sole agents of the Hawkeye of Des Moines, succeeding S. D. Hawley & Son.

Walter Munns, counterman of the agency of Robert M. Coyle, resigned last week, and it is understood that he will take up the brokerage business.

The course in "Fire Insurance" of the Evening School of Accounts and Finance of the University of Pennsylvania began on September 27, and, as outlined, it bids fair to be the most thorough which has yet been undertaken.

David H. Stone, Jr., formerly a member of the firm of Stone, Mathews & Co., and recently connected with the agency of Clarence A. Krouse & Co., has been appointed by the Vedder Underwriter Company as special agent for the States of Pennsylvania, Ohio, New Jersey and Delaware.

Complaints are very general over the scarcity of business during September with most of the agencies, while losses are reported to have been above normal.

The marine agency of the Royal Exchange, which has been with Curtin & Brockie for many years, has been discontinued, owing to the fact that the company has ceased writing that class of business in this country.

The following names have been added to the list of signers of the Philadelphia Agreement: Geo. E. Wagner & Co., as representing the Queen City Fire, and Stone, Mathews & Co., as representing the Walla Walla Fire.

Mather & Co. have added to their chain of offices throughout the country one in Boston. The firm is established now in Philadelphia, New York, Boston and Seattle.

James J. Reeves, the oldest insurance agent in Bridgeton, N. J., died recently.

Watt & Patterson is the title of a general agency firm established at Pittsburg to further the business of the Girard Fire and Marine and the Sun of New Orleans. Mr. Watt is the vice-president of the Girard and Mr. Patterson special agent of the same company for Western Pennsylvania.

It is a well-known fact that brokers not signers of the association agreement—for various reasons, but principally because of affiliations with non-boarders—are able to place business in Board companies and receive full commission. Regarding this, an association member said last week:

> So easy has it become that a few of these gentlemen are foolish enough to boast of it. The result is that some loyal members are objecting to the scheme by which this result is accomplished, even though it is contended that the same is within the compact. These brokers are reputed to be regularly appointed agents or solicitors of certain companies, and the said companies are perfectly well aware that, if such an act is not in direct violation of the agreement, it certainly is of the spirit of it, and the sooner it is stopped the better it will be for the life of the association if they value its benefits as highly as they profess to.

Stone, Mathews & Co. have secured the agency for this city of the Walla Walla Fire, to take the place in that agency of the New Jersey Fire.

THE MIDDLE STATES.

—John M. Warner of Pittsburg, Pa., local representative of the Allemannia Fire, died recently, after a short illness, aged forty years.

—James Ryan of Buffalo, N. Y., founder of the insurance firm of James Ryan Sons Company, died recently, after a protracted illness. He was seventy years old.

—A high-pressure salt-water main for Atlantic City, N. J., is being discussed, and the cost is estimated at $100,000. The city wants to place it in the hotel section, in order to bring down the high insurance rates.

—Whiton & Merges of New York city will relinquish the general agency of the Eastern Fire of Atlantic City on January 1, from which date the company's business will be handled by H. F. Cornell, managing underwriter at the home office.

—A meeting, partaking of both a social and business nature, was recently held at Niagara Falls in honor of Manager Charles Alcock, from the home office of the Royal in Liverpool. Practically all the managers of the several departments of the Royal and the Queen in this country were present. The meeting lasted three days.

THE WEST.

Ohio Notes.

[From Our Own Correspondent.]

Henry N. Staats, chairman of the insurance committee of the Central Electric Railway Association, made a report before that organization at its first fall meeting in Columbus. He referred to statistics that had been made up from reports of about 400 electric railway companies for the past ten years and showed the excess of cost over the amount that had been paid out in the shape of losses. Then the plan of certain companies specializing in traction insurance was explained, with the assertion that they would do business on the co-operative plan, paying back at the end of each year all the money that had not been used in settling losses. In remarks made after the report was read, Mr. Staats said that the companies would take care of risks in towns where there is little or no fire protection. Members of the association seemed interested in the plan and some of them urged that it be taken up generally, as rates have recently been advanced by the stock companies on some of the traction risks.

The Fire Marshal's department has been busy recently with several confessions of arson and investigations. J. R. Anderson stated that he had fired a mill at Portsmouth, Ohio, twenty years ago; John Schmidt was arrested at Hamilton on the charge of setting fire to the Put-in-Bay House, at Put-in-Bay, in July, and Chauncey C. Kelffer was arrested at Newark, after he had confessed to firing a bottling works belonging to his father on two different occasions.

Thirty members of the Ohio State Fire Prevention Association were present at the recent inspection meeting in Cincinnati. As in all other cities inspected so far, the city was divided into districts, so far as the business and congested sections are concerned, and carefully inspected by the members assigned to the various districts. Local agents of that city, it is understood, objected to the inspection, on the ground that they did not want their patrons subjected to any more conditions than they have been from the effort to introduce the Dean schedule. They claimed that the members of the association would require that certain improvements be made, and that buildings and premises be cleaned up to accord with their ideas, and that all this would cause trouble. However, it had been decided that the city needed just such an inspection and the members made it with the same care that they have in other cities. The report will be made up and gotten out as soon as possible. In the meantime such requests for improvements as are found necessary will be sent to propertyowners in an endeavor to make the town better insurancewise than it has been in the past.

Cleveland agents have been busy of late in figuring out the new rates on risks within the boundaries of the high-pressure water system and changing the policies to accord with them. The rates were promulgated by the Cleveland Inspection Bureau to take effect as of September 15 on all business now in force. The reduction will amount to an average of ten per cent on stocks and perhaps eight per cent on buildings. The reduction was made by changing the basis rates, so the amounts to be charged off are not uniform, since there were certain fixed charges that were not affected. The work to the agents in making the change in about 30,000 policies will be heavy, while the aggregate of the rebates will also be considerable. O. M. C.

Cleveland, October 7.

—Judge Dana, sitting in the District Court at Topeka, recently ordered the State to be more explicit in its charges against fifty-one fire insurance companies charged with violating the anti-trust law of the State, and gave it twenty days to make its charges more definite.

—The Washington Fire and the American Druggists Fire have entered Missouri.

—The Excelsior Fire of New York has entered Illinois, with J. D. Sheahan as attorney and agent.

—W. J. Faymonville succeeds David B. Jones as Ohio State agent of the Firemans Fund, with headquarters at Columbus.

—R. Barnum of Omaha succeeds E. P. Wise as State agent of the Agricultural for Missouri and Kansas, with headquarters at Kansas City.

—The conflagration hazard at Kansas City, Kan., is not extreme, according to the report of the engineers of the committee on fire protection.

—O. H. Rudy, son of D. A. Rudy, who recently resigned as president of the Indianapolis Fire, has resigned as special agent of the latter company, to go with the German of Indianapolis.

—Attorney-General Hadley of Missouri has filed information against sixty-nine fire insurance companies and forty-eight lumber companies, alleging a pool to fix and control prices. Examiners have been appointed to collect evidence on which to base ouster suits.

—According to a statement in The Coast Review, F. W. Anthony of Brooklyn has sent circulars to San Francisco in which he offers policies of the Western F. and M. of Oklahoma, New State Fire of Oklahoma, New State Fire of South McAlester, I. T.; Traders Mutual of Philadelphia, Reserve Mutual of Philadelphia, and Kensington Mutual of Philadelphia.

MISCELLANEOUS FIRE NEWS.

Sessions of State Legislatures.

Below will be found the dates of commencement and the limitations of the sessions of the various State legislatures during the coming season:

State.	Date.	Time Limit. Days,	State.	Date.	Time Limit. Days,
Georgia	Jan. 25	50	Ohio	Jan. 6	None
Kentucky	Jan. 7	60	Porto Rico	Jan. 13	60
Louisiana	May 14	60	Rhode Island	Jan. 1	None
Maryland	Jan. 3	90	South Carolina	Jan. 7	40
Massachusetts	Jan. 2	None	U. S. (Congress)	Dec. 3	None
Mississippi	Jan. 2	None	Vermont	Oct. 3	None
New Jersey	Jan. 7	None	Virginia	Jan. 8	60
New York	Jan. 2	None			

—J. J. Carne, Jr., has been appointed California special agent of the Seattle Fire and Marine to succeed E. P. Fleming, resigned.

—Plans and specifications for the salt water system proposed for Oakland, Cal., have been completed and are now in the hands of the city engineer for revision and approval.

—The Oakland (Cal.) Board of Fire Underwriters has been organized. The officers chosen are: President, I. H. Clay; vice-president, F. F. Porter; secretary, Fred Le Ballister; treasurer, John Martens.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

Up to October 1 four branches of the New York Life had filled their allotment of new business for the current year. Their writings in the remaining three months will make up for those branches which fall short, the allotments having been so arranged that the $150,000,000 new business limitation will not be exceeded, thereby causing a suspension of operations before the close of the year.

A new general agency of the Prudential will be opened in New York city by R. J. Mix, formerly supervisor for the Equitable Life. Mr. Mix has a splendid reputation as an organizer, and will speedily build up a productive agency. Offices have been taken in the Smith-Gray building at Warren street and Broadway.

J. J. Hirshfield, W. J. Cotter, J. S. Munsell, Dr. Chas. S. Barnes and George W. Bowers are said to be organizing a life insurance company in Philadelphia.

The Life Underwriters Association of New York will tender a banquet to Charles Jerome Edwards at the Café Martin on October 15. Among the speakers on this occasion will be Charles Jerome Edwards, Hon. Martin Littleton, Robert Cox and Rev. Hugh Black. Mr. Edwards was recently elected to the presidency of the National Association of Life Underwriters. Tickets for the banquet may be

secured from Robert H. Hardy, Tilden Blodgett and D. G. C. Sinclaire, at 1170 Broadway, who constitute the banquet committee.

The forgery and perjury cases against several prominent insurance officials were on the criminal court calendar last Monday. More time was asked for in which to prepare arguments for the dismissal of the indictments, and all applications for delay were opposed by District Attorney Jerome. Early dates were set for the hearings. That of John R. Hegeman was set for October 14. Counsel for George W. Perkins said he would move to quash the indictments, on the ground that the Grand Jury had insufficient evidence upon which to bring them. The hearing was set for October 16, at which time the case of Charles S. Fairchild will also be heard. Walter R. Gillette appeared in court and pleaded not guilty to nine indictments to forgery in the third degree and one of perjury. A motion to dismiss the indictments was denied, and Justice Dowling issued an order for a special jury to try the case on October 17. Argument on the two indictments against Robert A. Granniss will be heard on October 14 and 21.

The firm of Perry & Cummings, managers for the Prudential's ordinary department in New Jersey, was dissolved October 1. Mr. Cummings will continue the agency in the company's home State, while Mr. Perry transfers to New York city, as manager for the Prudential, with offices in The Evening Post building on Vesey street. The new Metropolitan manager has been with the company since 1900, and has made a splendid record as a personal producer and organizer.

BOSTON AND VICINITY.

The Peoples Savings Bank of Brockton is the first bank in the State to avail itself of the privilege of establishing an insurance and annuity department in compliance with the law enacted by the last Massachusetts Legislature. The law goes into effect November 1, 1907.

The trustees of the general insurance gratuity fund have voted to appoint Robertson G. Hunter of New York as State actuary, at a salary of $3600 per year. This action is taken under the savings bank insurance act of 1907. Mr. Hunter has been connected with the actuarial department of the New York Life.

Attorney-General Malone has filed, in the Massachusetts Supreme Court, a petition against the American Credit Indemnity of New York to enforce a penalty of from $50 to $500 for alleged violation of the insurance laws. The allegation states that, on a certain date, the company issued an advertisement—a circular—publishing assets without the liabilities in an equally conspicuous manner. This case is unique in Massachusetts.

In consequence of the withdrawal from Massachusetts of the Empire State, James P. Parker of Taft & Parker, New England managers of the company, has withdrawn from the firm and become associated with E. J. O'Neil, manager of the New England department of the United States Fidelity and Guaranty.

Hinckley & Woods have been appointed Eastern Massachusetts general agents of the Federal of New Jersey for automobile, tourist and salesman floater business.

Recently an Italian fraternal beneficiary association was formed in Boston, during which process two factions developed bitterly opposed to each other, and the war raged fiercely in "Little Italy." The project was approved by the Insurance Commissioner, and the faction of incorporators then at the top went "up-stairs" at the State House to secure a certificate of incorporation. They left the papers and were to call for the certificate in due time. This they did, when to their consternation they were informed that the document had been delivered to parties who had called for it. It was as plain as day that the other faction had stolen a march on the first, and had got away with the certificate. The officials had acted in good faith, but it appears from this episode that all Italians look something alike. The question which is now agitating the first group, "exhibit A," is "Where is the lost certificate?"

NOTES FROM PHILADELPHIA.

John Dunn, formerly city manager of the Security Life and Annuity, who removed to Chicago when the head offices of the company were transferred to that city, has returned to Philadelphia as manager of the State Life of Indiana for Philadelphia and the State of Pennsylvania east of the Susquehanna river. His offices are at 358 and 360 Drexel building.

As stated in THE SPECTATOR of October 3, the Philadelphia Rapid Transit had decided to thoroughly examine into the causes of the numerous accident cases and fight them to the limit. To this end, Detective Silcox of the company thoroughly investigated a number of claims, with the result that he threatens to cause the arrest of several lawyers, policemen and witnesses, claiming that he has unearthed a gigantic conspiracy to defraud the company. So serious were the threatened disclosures that it is said that the politicians have been laboring to have the whole matter hushed up. One police sergeant was last week suspended on the charge of collusion with runners for lawyers.

THE MIDDLE STATES.

The Compensation of Sub-Agents.

Charles Jerome Edwards, president of the National Association of Life Underwriters, and also of the New York City Association, recently addressed a communication to Superintendent of Insurance Otto Kelsey of New York, asking if a general agent could pay out of his own pocket to a soliciting agent a first year's commission in excess of the statutory limitation imposed upon the life insurance companies. Mr. Kelsey replied as follows:

In construing provisions of section 97 of the insurance laws governing payments to agents of life insurance companies, the Department holds that their purpose is to prohibit payments to a soliciting agent in excess of the limitations therein set forth, and that they are applicable to payments made for new business by agents in their own behalf with or without the knowledge of the companies for which such new business is obtained. The company ultimately pays the cost incurred, which includes compensation for the agent, or there would be no inducement for the latter to make advances. Whether effective or not, in practice, the legislative intent was that no life insurance corporation nor agent thereof should expend or become liable for expenses in excess of the limitation prescribed.

The restrictions apply to expenditures by any individual agency, separately and by itself, irrespective of whether the aggregate expenditures of the company throughout all its agencies do or do not exceed the statutory limitation. Such limitation applies to each part of the agency force and successively to the aggregate sum permitted to be expended for new business by the several agencies of the company as a whole, and does not afford an opportunity for defeating its declared purpose through a variety of contracts with different agents upon the hopeless assumption that an accurate regulation could be had thereunder and the total of disbursements restrained. An individual agent is prevented from expending moneys which may increase the total for new business beyond the limitation, although such expenditures are made by him from his own personal funds, on his own behalf, for his own profit and without agreement or expectation of specific reimbursement by the company. If the individual agent is not held to a personal responsibility the avenues for an evasion of the law are opened wide.

Decision as to Royal Arcanum Rates.

The appellate division of the Supreme Court in Brooklyn has handed down a decision reversing the decision of Justice Gaynor in December, 1905, restraining the supreme council of the Royal Arcanum from enforcing the new rates.

The opinion, which is written by Justice Miller, says:

It appears that the original plan of assessment was not based on sound insurance principles, and it may be assumed that the plan adopted by the amendment, the enforcement of which is enjoined, does effectuate the purpose for which the defendant was organized, i. e., the furnishing of insurance to its members at cost, equitably apportioned among them.

The defendant was organized upon the principle of equality and mutuality among its members, and it must have been fairly within the contemplation of the parties that changes in membership might necessitate changes in rates in order to preserve that equality. There was nothing in the by-laws limiting the amount which any member might be assessed. On the contrary, there were express provisions for extra assessments, and while the change complained of affects the proportionate amount which each member is required to pay, I think if it was necessary to preserve equality among the members it should be deemed to have been within the contemplation of the parties to the contract.

The proceedings were brought by J. L. Mock, a Brooklyn member of the order.

—The State Life of Indiana has appointed John Dunn, a former resident of Philadelphia, manager of the company for Philadelphia and Pennsylvania east of the Susquehanna.

Pittsburg Veteran Legion.

At Pittsburg, last week, about forty veterans of the Equitable Life formed the Pittsburg Veteran Legion. William Alexander, secretary of the company; W. E. Taylor, superintendent of agents; Dr. T. H. Rockwell, medical director, and about 150 agents of the company attended the meeting at which the legion was organized.

The Veteran Legion is divided into classes, according to length of service with the company, each member being presented with a solid gold pin, set with a jewel. The presentation of the pins took place at the luncheon, which followed the business session. The members of the legion and their classes are as follows: Twenty-five years, Edward A. Woods; twenty years, William Robert Thompson and Charles Hiram Seaton; fifteen years, Charles Butler, C. Coleman and Lawrence C. Woods; ten years, Leonard Fosdick, Dr. John Sylvester Mardis, Bertha Strause, William B. Rankin, Speer W. Guthrie, William M. Duff, Orlin M. Sanford, Christopher R. Notman, Frederick P. Moore, Charles Seidenstricker, Edwin Samuel Naly and William H. McManus; five years, William R. Stevenson, William H. Miller, John L. Miller, Renwick C. Gailey, Harper K. Beegle, James E. Brandon, John Sellick McCarger, Samuel O. Wright, John B. Robertson, William J. Powell, Mary E. McCready, Buell C. Boyd, Oliver Perry Hood, Frevor F. Myler, George W. Glassburn, Fred Sigrist, John W. Geibel, William E. Metz, Joshua H. Eskridge, LeRoy T. Scofield, Dr. William A. Longanecker, John Keith Brumbaugh, Thomas Wilson Falls, Thomas Davage Johnston, Viola C. Von Hofen and John Wright.

THE NEW ENGLAND FIELD.

Hartford Letter.

[From Our Own Correspondent.]

The approaching annual meeting of the Illinois Central Railroad has brought the large Hartford companies into sudden conspicuousness and proxies for their large holdings of stock are being eagerly sought after by the agents of both the Fish and the Harriman-Harahan interests. President William B. Clark of the Ætna was present at the now famous Hartford conference of Hartford business men last Thursday, and took a prominent part in the ensuing debate. His holdings will be given to Fish's support. President Sylvester C. Dunham of the Travelers is noncommittal and says he has "very good reasons for not attending the conference." Judge James Nichols, president of the National Fire, and Senator Morgan G. Bulkeley, president of the Ætna Life, are still holding their blocks awaiting developments.

Captain John M. Parker, a well known figure in this city for many years, father of John M. Parker, Jr., secretary of the accident and liability department of the Ætna Life, died Friday evening, eighty-five years of age.

At the funeral of John Lee Bunce, assistant secretary and superintendent of agencies of the Connecticut Mutual Life, last Thursday afternoon, the bearers were: Alexander Bunce, John H. Buck, Arthur P. Day, William H. St. John, Jacob Humphrey Greene, Charles P. Cooley, Hon. E. Kent Hubbard, Jr., of Middletown, and Charles Howland of New York. Mr. Bunce, who was held in high esteem in insurance and social circles in this city, is survived by his wife, who was Miss Mabel Horn of St. Paul, and two children. The flags on the Connecticut Mutual building remain at halfmast in memory of Mr. Bunce.

William R. C. Corson, a prominent mechanical engineer of this city, has been secured by the Hartford Steam Boiler Inspection and Insurance Company to take charge of the engineering department of the company.

Friends of William E. Schulze of the Travelers will be grieved to learn that Mrs. Schulze was forced to give up her honeymoon and is very ill at her home with typhoid fever.

The Michigan Commercial Fire of Lansing, Mich., has been admitted to Connecticut by Insurance Commissioner Macdonald.

Hartford, October 8. Underwriter.

—The following quotations for stocks of insurance companies were made in Hartford on October 3: Hartford Steam Boiler and Inspection Company, \$250 (par \$50); Ætna Life, \$470; Connecticut General Life, \$225; Hartford Life, \$140; Ætna Indemnity Company, \$35.

THE WEST.

Northwestern National's New Policy.

The Minnesota Department has approved the Northwestern National Life's new standard clause policy. This policy is far in advance of the standard policy of the State. In using the standard clauses, the company did so for the sole purpose of simplifying the contract, and liberalizing it over the standard policy form itself. Following are its leading provisions:

The policy is absolutely free of conditions as to residence, occupation and travel at all times; requires no permit or extra premium at any time for military or naval service; the inhibition against suicide is reduced to one year, during which time the company acknowledges a liability to the extent of the premiums paid; absolutely non-contestable, except for non-payment of premium, one year from its date, thus shortening the period set forth in the standard policy; has a surrender value without the surrender of the contract, or any other red tape process. The company offers five dividend options in payment of annual dividends, covering every conceivable use to which an annual dividend could be put; offers four modes of settlement in event of death, with the selection entirely in the hands of the beneficiary and the insured; paid-up values and cash loan values and extended insurance values are in excess of necessity.

The policy is, moreover, written in simple and unmistakable language. Each clause is margined and indexed. The clauses in the company's policy are designed to set forth the benefits to be received, and not restrictions that are to operate. The company claims for this policy that it is a standard of excellence in way of simplicity and brevity, and that this brevity has been achieved by leaving out restrictions. With this modernized contract, and the high position the company occupies as an interest earner, together with the low mortality of the Northwest which includes so large a part of the company's business, the Northwestern National looks for large increases in its volume of business.

—The Union Central Life has opened a loan office in San Francisco.

—Charles G. Cole of Mason City, Ia., has been appointed superintendent of Pacific Coast agencies by the Equitable Life of Iowa.

—Attorney-General Byers of Iowa has prepared papers asking for the appointment of a receiver for the Pioneer Life Association of Davenport.

—Frank D. Shera of Indianapolis has resigned as general agent of the Bankers Life of Iowa, to represent the National Life of Iowa as State agent.

—John N. Homans has re-entered the insurance business as representative at Youngstown, Ohio, for the Lincoln National Life of Fort Wayne, Ind.

—The Majestic Life Assurance Company of Indianapolis has been licensed in Indiana, with \$100,000 capital. The company is a reorganization of the Majestic Life Insurance Company of Indianapolis. The officers will remain the same as in the old company.

—The field organization of the Northwestern National is making 1907 a year for new records. The latest announcement is that on October 1 a new agent of the company completed his first anniversary in insurance work with a record of having personally sold and paid for \$500,000 of insurance.

—W. T. Verigan has accepted a position with the Lincoln National Life of Fort Wayne, Ind., as field superintendent for the State of Ohio. As district superintendent for the Western and Southern in Ohio, and as district manager for the Federal Life in Northern Indiana and Ohio, Mr. Verigan has had ten years of experience in field work.

—Wm. E. Schilling is completing the organization of the Inter-Ocean Life and Endowment Company of Kansas City, incorporated first under the stipulated premium law of Missouri, with a capital of \$50,000. Later it is proposed to increase the capital to \$100,000 and reorganize as a legal reserve company. Meanwhile full legal reserve rates will be charged.

—The National Life Association of Des Moines, Ia., is pushing actively for business with good results. In the first nine months of the current year it increased its outstanding business by more than fifty per cent. It operates in sixteen States, and will shortly enter others. Good managers are needed by it in several localities, as stated in its advertisement in another column.

—The First National Life Assurance Society of America has been organized at Walla Walla, Wash., with a capital stock of \$500,000. The Rev. Morton Gregory is president of the new company, and the other officers are: Edwin Masterson, vice-president; R. J. Tompkins, second vice-president; Dr. A. E. Braden, medical adviser; Marvin Evans, counsel. All of the capital stock has been subscribed and one-third is paid up.

THE SOUTH.

—The Louisiana National Life has been licensed in Texas.

—The State Mutual Life of Rome, Ga., has opened a branch at Little Rock.

—Oscar Swineford of Richmond, Va., has been appointed manager in that State for the Reliance Life.

—The Continental Life of Wilmington, Del., and the Southern States Life of Charleston, W. Va., have been licensed in Maryland.

—H. H. Eaves, general manager of the Phœnix Mutual Life at Nashville, is endeavoring to organize a life underwriters' association.

—On September 25, Col. J. D. Powers, president of the Commonwealth Life of Louisville, Ky., and also vice-president of the Third National Bank of that city, was elected president of the American Bankers Association at its annual meeting at Atlantic City, N. J. As this association is composed of all the most prominent banks and bankers throughout the United States, it shows the high

esteem and confidence in which the president of the Commonwealth Life is held by the financial world.

—The Peoples Mutual Life Insurance Association of Salisbury, N. C., has been licensed by the North Carolina Insurance Department.

—C. G. Page has left the firm of W. B. Page & Bro. to accept the general agency of the Citizens Life for West Virginia and Indiana, with headquarters in Louisville.

—The Southern States Life of Atlanta has promoted Frank E. Broadnax and W. S. Cogburn to the position of inspector of agencies. Both these men have made fine records in the field.

—W. D. Robinson of New Orleans has issued a call for a meeting of the policyholders of the Mutual Reserve Life and the Mutual Reserve Fund Life in Louisiana and Mississippi, to be held at the new Denechaud Hotel, New Orleans, on November 7, for the purpose of taking such steps as may be necessary for the protection of the interests and the legal rights of the policyholders

MISCELLANEOUS LIFE NEWS.

THE PROVIDENT SAVINGS LIFE OF NEW YORK.

Control of the Provident Savings Life Assurance Society Secured by a Philadelphia Syndicate—The Pennsylvania Mutual Life Guarantees Its Policies—Reorganization Contemplated.

Rumor has been active for some time past relative to the Provident Savings Life, and various interests have been reported as seeking to obtain control. About a year ago E. R. Thomas, O. F. Thomas, A. F. Heinze and other wealthy capitalists purchased a controlling interest in the company from Timothy L. Woodruff, who had, but a short time before, obtained a majority of the stock from E. W. Scott, then president of the company. Mr. Woodruff became president, but not being an insurance man and occupied in other directions, he gave comparatively little attention to the company. An opportunity occurring to sell the control to the Thomas interests, he hastened to do so. The Thomas' are well-known capitalists, prominent in financial circles through being closely identified with two or three banks and trust companies and other large enterprises. They are not insurance men, and why they should want control of a life insurance company their friends could not imagine.

There were insurance interests, however, on the alert for the chance of securing the company, and on Saturday last the papers were duly executed that transfers the Provident Savings to a syndicate of wealthy and prominent Philadelphia gentlemen. In reality the Pennsylvania Mutual Life Insurance Company is the power behind the syndicate. In order to avoid the red tape of reinsuring the Provident Savings, the Pennsylvania Mutual contracts to guarantee the policies of the former company, the syndicate virtually surrendering control of the Provident Savings to the Pennsylvania Mutual.

The Pennsylvania Mutual Life operates under a very liberal charter granted in 1870, and in July of last year was licensed to operate as a legal reserve life insurance company with an authorized capital of one million dollars. It transacted but a small amount of business last year, but has displayed more activity in 1907, and only recently took over the risks of the Independence Mutual Life of Philadelphia. J. J. Coyle is president and John C. Bonner, secretary.

The men making up the syndicate of purchasers are former State Senator John J. Coyle, president Pennsylvania Mutual Life; Henry Brooks, vice-president of the Hamilton Trust Company, and president of the George Brooks & Son Co., also president of the Standard Fire; Charles N. Brumm, representative from the twelfth congressional district, and a well-known attorney-at-law; George J. Elliott of the Bell Telephone Company; John J. Moore, former county treasurer of Luzerne county, and now vice-president of the Plymouth National Bank; John W. Phillips, cashier of the First National Bank of Mahanoy City, and John C. Grady, director of docks, wharves, etc., of Philadelphia. Timothy L. Woodruff, the present president of the Provident Savings Life Assurance Society, has resigned as president, but will remain on the board of directors, as will also O. F. and E. R. Thomas, the recent vice-president and chairman of the finance committee, respectively. George J. Elliott has been decided upon as the new president of the society. There will be fifteen directors, and eight of these must, under the New York law, be residents of New York.

The Provident Savings Life Assurance Society of New York was organized February 25, 1875. On August 5 of the same year, the company began business with Sheppard Homans, an expert insurance man, at the head of the company. It has been running continuously and successfully ever since.

Mr. Coyle said: "The Provident Savings Life Assurance Society, while in excellent shape at the present time, can, we believe, be improved under the methods we will institute. We will not only see that it maintains its position as one of the leading companies of the country, but by applying the very best insurance methods and insurance knowledge, we hope to make it one of the largest."

Under the new management, the Provident Savings Life Assurance Society will be run on the strictest business basis. The company is in excellent financial condition, having about $90,000,000 of insurance in force and assets of nearly $10,000,000.

General Mortality of England and Wales, 1891-1900.

In The Spectator of October 3 an article was printed on the New English General Mortality and Life Tables, 1891-1900, by Frederick L. Hoffman. That article was based on Part I. of the Decennial Supplement on the mortality of England and Wales in the ten-year period ended 1900, which is the fifth of a series extending back to the decennium 1851-60, and consequently covers the mortality experience of the general population brought up to the latest census returns. The present volume gives two new life tables—one for England and Wales as a whole, and the other for selected healthy districts which had corrected death rates of 14 per 1000 or less during the decennium. Each table gives the facts separately for males and females, and for the purpose of convenient comparison the report contains the corresponding results of three preceding general life tables and of two preceding life tables for selected healthy districts. There is, in addition, a mass of detailed information regarding the course of mortality, the changes in the death rate and the mortality from specified causes in the different sections of England and Wales. An elaborate discussion of the most important results of the mortality observed is included in the volume, the same having been prepared by Dr. John Tatchem. The volume consists of 760 pages, including a very complete index. Copies of this work may be obtained of The Spectator Company, 135 William street, New York, at $3 each.

Insurance Affairs in Great Britain.

[From Our Own Correspondent.]

Considerable satisfaction is felt on this side at the announcement that an "International Insurance Encyclopedia" is now in course of preparation—particularly as the late Cornelius Walford's monumental effort breaks off at the letter "H"—and many have been the eulogistic press notices which have followed the receipt here of advance proofs of portions of the index, etc. At the same time, as is perhaps natural, some regret has been expressed that Great Britain, which has had centuries of insurance experience, should have left the work to other hands. The publication, however, is assured of a very hearty welcome, and will be awaited with unusual interest. Commenting upon the information already to hand, The Post Magazine says: "We are just afraid, judging from the list of collaborators, that the co-operation of the profession in this country is almost entirely confined to the life branch: it would be a disaster should the final product reflect this limitation." This is a point which it would be well should not be lost sight of.

A recent issue of The Policy contains an interesting sketch of the career of John L. Davis, formerly superintendent of the London agents of the Mutual of New York, and now Liverpool district manager for that company. In the course of his remarks the writer of the article says: "Mr. Davis, in those happy days before the troubles in the American offices, played a good part in the wonderful business achievements of the Mutual. The recent troubles naturally resulted in a certain amount of difficulty for himself, but he tells us that he is surprised at the results he is able to maintain, and which, in some months, almost relatively equal the achievements of the branch a few years since. For, as he says, the men insured in the Mutual are business men. They understand that America is the country of the future; that its resources are far greater than those of Europe; and when these resources are properly developed, Europe will not be able to compare with the United States and Canada in wealth. This, of course, materially affects the position of the American insurance companies, and, as the recent troubles were caused merely by bad management, and had not weakened the financial soundness of the offices, the British people still retains its faith in his office. As a matter of fact, the people of this country are increasing their insurances in American offices." Charters.

London, September 30.

Casualty, Surety and Miscellaneous

Surety Companies.

Much benefit is likely to follow from the open ventilation of the many troublesome questions that beset the companies doing a fidelity and surety business, either alone or in conjunction with other miscellaneous lines of insurance, but the principal differences focus down to those of the reserve and the limit of each company's liability on a single risk.

In a paper read before a meeting of the Insurance Commissioners on the latter subject little could be said, except in the way of special pleading, that would be likely to influence the attitude of the Commissioners, failing which, it cannot be expected that the various legislatures will be persuaded to remove the safeguards that have been placed around the issuance of bonds. Until such time, it is safe to say that the ten per cent limitation will remain in force.

It is not an argument against the ten per cent limitation that two or more companies giving a joint and several bond for, say $100,000, are practically liable for the aggregate of the joint bonds even if it exceed the ten per cent limitation, but rather likely to lead to a ruling that the 10 per cent shall apply to the aggregate amount of the bond. In addition to the position of the various States on the question, we have the ruling of the Treasury, which was firmly maintained by former Secretary Shaw, who gave little encouragement to the influential committee that waited upon him to urge a reconsideration. This position is likely to be adhered to by the present Secretary, although it is possible that, if the matter be properly presented, a modification may be made reducing the requirement by one-half in those cases where a bond is required for double the amount of any possible liability. It is not logically sound to restrict the company to 10 per cent of the amount of a bond which represents the actual liability and to require the same limitation where the liability is one-half the nominal amount of the bond.

It is unfortunate that the companies themselves are distrustful of each other, and in the rush to become large in income receipts, neglect the ordinary business prudence of demanding adequate rates. It is not a dignified position for a company to be making a drive at excise bonds, while others who have had experience stand aloof and can express no surprise when the newcomer retires with a loss of $60,000 as the result of the experience.

As a matter of fact, there are settled lines of risk which can be written at certain rates and make a profit, but when this safety line is passed, the result cannot be long in doubt. Yet each company is obliged to go it alone and to acquire its own experience at heavy cost to the surplus.

It may be urged that it is no concern of one company what another may do, but adverse legislation is brought about by failure of one or more companies. Surety companies should be as strong financially as banks, and yet we have recently had two failures, while in the no distant past one or two companies have reduced their capital in order to remain in business. The main question after all is that of rates, and as a sample of the methods in existence, we quote the following verbatim from the circular issued to the railway postal clerks (form 5181).

III. The following-named companies have stated the rates specified, namely:

Name of Company.	Rate Per Annum Per $1,000.
American Fidelity Company	$2.00
American Surety Company of New York	.50
(or if application and premiums are sent collectively through designated officer or employee of the Railway Mail Service)	.40
The Bankers Surety Company of Cleveland, Ohio	2.50
Cambridge Trust Company	5.00
The Empire State Surety Company—	
For all in a division	.75
For individual bonds	1.50
Federal Union Surety Company	2.00
Fidelity and Deposit Company of Maryland	2.00
National Surety Company	1.00
Pacific Surety Company of California	3.75
The Title Guaranty and Surety Company of Scranton, Pa	1.00
The United States Fidelity and Guaranty Company	1.00

It will be noted that there is a variation of rate from 50 cents gross to $3.75 per $1000. Is it difficult to imagine the criticisms made upon such absurd extremes.

It will be noted also that the rate of 50 cents is reduced to 40 cents if sent collectively through a designated "officer." Surely this cutting out of the agent is ill advised. It is also interesting to note the exact wording of the bond required throughout the service by the Treasury, which is as follows:

Now, if the said..shall, from and after................................, faithfully discharge all the duties and trusts imposed on h...... as such, either by law or the rules and regulations of the Department of the United States, and shall faithfully account for and pay over to the proper official all moneys which shall come into h...... hands as such, and shall, upon the termination of h.... office, return to the proper official all property of every kind which shall be in h.... possession as such, then the above obligation shall be void; otherwise, of force.

Not a word is contained in this bond regarding premium, and whether any premium is paid or not, the bond is a continuing one in full force so long as it is held by the Treasury until all moneys and property are accounted for. Under the circumstances a 50 per cent reserve of one year's premium does not appear to be excessive.

The Pennsylvania Casualty Company.

[To the Editor of The Spectator.]

Under the heading of "Casualty Notes," in your issue of October 3, I find an item about Leo Adrain of Cleveland, Ohio, who surrendered his policy in the Pennsylvania and Central Accident owing to conviction that his death had been forecasted and because he did not wish to take advantage of a condition which he stated was not contemplated when he took out his insurance.

In this item I am quoted as having written a letter to Ralph Butler of the Central, suggesting that the two companies place a watch upon Mr. Adrain, and giving our reasons therefor.

I do not know where you obtained this information, but I want to say that this is not in accordance with the facts. In the correspondence which I had with Mr. Butler on this subject there is absolutely no suggestion whatever of the nature stated. F. H. Kingsbury, Secretary.

Scranton, Pa., October 7.

Casualty Notes.

—The Norwich and London Accident has been licensed in Minnesota.

—The National Casualty Company of Detroit has been licensed in Alabama.

—John H. Burgard & Co. of Portland, Ore., has been appointed general agent for the United States Casualty Company.

—The Wisconsin Supreme Court has decided that death, due to assault by burglars, is an accident within the meaning of the law.

—An accident insurance man advertises in another column for the State agency in Texas of a good health and accident insurance company.

—The Industrial Surety Company has been organized in New York, with offices at 41 Park Row, to insure owners of patents against infringement.

—The recently organized Middle States Indemnity Company has deposited with the Indiana Auditor the emergency fund of $2000, as required by law.

—The American Fidelity Company of Montpelier, Vt., is represented in the New Jersey field by A. M. Poindexter, with offices at 800 Broad street, Newark.

—The Employers Liability Assurance Corporation will hold a convention of its general agents at the Hotel Brighton, Atlantic City, on October 15 and 16.

—J. Donald Pickard, formerly with the Michigan Mutual Life, has been appointed manager of the personal accident department of the Central Accident in New York city.

—Jacob Leitner has been appointed branch manager of the Casualty Company of America for upper Manhattan and the Bronx for liability, personal accident, plate glass and steam boiler lines.

—A. D. Miller, who recently resigned as secretary and general manager of the National Relief Assurance Company, is now with the American Assurance Company of Philadelphia.

—The Richfield Mutual Hail and Cyclone Insurance Company has been organized at West Bend, Wis., with the following officers: John Stuesser, president; Ulrich Huber, vice-president; Henry Thoma, secretary; P. W. Walf, treasurer; directors, Albert Koch, Peter Becker, William Wolf, John Klein and Thomas Hayes.

—A. H. Gilbert, for many years with the Equitable Life, has been appointed superintendent of agents for the accident and health department of King, Scheide & Co. agency in New York city, which firm is general agent for the Pacific Mutual Life, Pacific Mutual Indemnity, and Northwestern National Insurance Company. The wide experience and energetic methods of this agency has enabled it to produce a handsome line of business for the companies it represents.

Surety Notes.

—Henry L. Ayers, formerly general agent of the Metropolitan Surety in Illinois, has sued the company, alleging $50,000 damages.

—The Gorham-Braden Company of Minneapolis has been appointed general agent for the Illinois Surety in Minnesota and Northern Wisconsin.

—F. H. Askew of Atlanta has been appointed special representative by the general agency of F. C. Robinson & Co., representing the Empire State Surety.

—At the meeting of National Surety agents, held in New York last week, addresses were made by President William B. Joyce, Vice-President W. J. Griffin, Secretary S. H. Shriver, fourth Vice-President Joel Rathborne, and Assistant Secretary David W. Armstrong, and a number of the agents.

—The National Fidelity and Casualty Company of Omaha, Neb., is now ready for business. The officers are: Hon. Charles F. Manderson, president; Edwin T. Swope, secretary and manager; John B. Ruth, treasurer. The directorate is composed of the secretary, treasurer and the following gentlemen: E. A. Cudahy, F. A. Nash, C. J. Bills, F. P. Kirkendall, H. H. Baldridge, Frank Fowler.

—As previously announced in these columns, the Board of Casualty and Surety Underwriters will hold its annual meeting at the Hotel Astor, New York, on October 15. A good programme has been arranged and the following topics will be discussed: Taxation, Federal supervision, deposits, amenities, resident agents' laws, standard policy forms, departmental examination and exactions, State, county and municipal privilege taxes and license fees, compulsory advertising.

The Insurance Year Book 1907-8.

The Post Magazine and Insurance Monitor of London presents the following review of The Insurance Year Book, 1907-'08, life, casualty and miscellaneous volume.

Now in the thirty-fifth year of its usefulness, this annual publication is a veritable mine of information. Excluding a 200-page directory of insurance agents appended to the volume, it contains about 750 pages of statistics and other concise intelligence, bearing for the most part on life and casualty insurance in the United States. One-sixth of this space is occupied by a "Life Insurance History" of existing American offices—a digest in tabular form of the annual statements of each company from the commencement of its operations. Occupying very little room, the annual "Gain and Loss Exhibit" nevertheless incites a mild feeling of envy on the part of anyone who would like to trace the course of British life offices in greater detail than our Board of Trade returns allow. From this table can be ascertained the contribution of each year to surplus and how much of that contribution has been separately derived from loading, interest, mortality and other sources. The course of casualty business in the States can also be studied from the summarized figures of the various companies, including the few which hail from this country.

The thirty-fifth annual issue of The Insurance Year Book, published by The Spectator Company, 135 William street, New York, is now ready for delivery. The present issue is of the date of 1907-8, and embraces in two volumes complete statistical information relating to every form of insurance. One volume concerns fire and marine, the other life, casualty and miscellaneous insurance, and the two may be had for $10, or each volume for $6. The publication has been much enlarged over that of last year, and contains many improvements, and all the standard tabulations are brought down to date. It is now nearly 1000 pages in bulk and covers several thousand insurance subjects. No similar work on insurance so comprehensive and exhaustive has ever been published.—The Weekly Underwriter.

TOO LATE FOR CLASSIFICATION.

San Francisco Items.

[From Our Own Correspondent.]

Macdonald & Miles of San Francisco have been appointed general agents for the Pacific Coast department of the Delaware of Philadelphia. This company has not been active in the California field since the conflagration, but J. W. Brooks, special agent for the home office, has been in this city for the past ten days gathering information, which resulted in the new connection.

The Walla Walla Fire has been admitted to California. Gray, Kling & Co. of Los Angeles have been appointed general agents for the State.

San Francisco, October 5. Occidental.

—The annual meeting of the Fire Underwriters Association of the Northwest began yesterday.

—Anti-trust proceedings have been instituted in Missouri against numerous fire insurance companies.

—Secretary H. C. Fuller, of the Security of New Haven, died suddenly on Sunday last at Watertown, Mass.

—We recognize The Spectator to be one of the most valuable works on the market to-day.—Charles E. Parker & Co., managers New England department, Insurance Company of North America.

—The Merchants Fire of Little Rock, Ark., has reinsured its risks in the Illinois National Fire of Springfield, Ill. Johnson & Cotnam, who were general agents for the Merchants, become general agents for the Illinois National.

—Fred. M. Gund, manager of the new Western department of the Williamsburgh City, is having a highly satisfactory experience. He has jurisdiction over eight States, with headquarters at Freeport, Ill., and already has about 1000 recording agents and eight field men. Mr. Gund has a strong following in the Western field, and is reputed to be a good underwriter.

—To-day there is being held in Harrisburg, Pa., a convention of agents of the Eastern department of the Royal Union Mutual Life. Secretary Foster of the Royal Union is in Harrisburg, and will address the convention. The agents will visit the capital and call upon the Governor, and in the evening will be entertained at dinner. Mead & Pittman are general agents for the Royal Union in the Eastern department, and are pushing the company's business with characteristic energy and success.

—Superintendent of Insurance Otto Kelsey of New York has issued Part V. of his annual report for the year 1906. This volume consists of 386 pages, and includes the 1907 amendments to the insurance law; decisions of the Court of Appeals; opinions of the Attorney-General; rulings of the Superintendent; reports on examinations of insurance companies and schedules of fees and taxes charged by various States. Part II., covering the annual statements of life insurance companies, is still to be issued.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, $7; book only, $5; monthly supplement only, $2 per annum.

American National Fire Insurance Company, Rock Island, Ill.

This company has been authorized by the Illinois Insurance Department to change its name to the American National Insurance Company, in order that it might write tornado as well as fire insurance.

California Fire Insurance Company, San Francisco, Cal.

The action of the directors of this company in adopting a resolution to increase the capital from $240,000 to $400,000 and the surplus to $200,000 was unanimously ratified at a recent meeting of the stockholders. Secretary George W. Brooks states that the entire issue of 4000 additional shares were over-subscribed by the stockholders, and that these subscriptions will be immediately paid in.

Carrollton Mutual Fire Insurance Company, Carrollton, Ga.

This company has received its charter from the Secretary of State.

Consolidated Assurance Company, Ltd., London, Eng.

Balance sheet as of December 31, 1906, shows assets aggregating £112,954, including "sundry debtors," £43,666; office furniture, £764; "preliminary expenses as at December 31, 1905," £1000; "organization expenses to be gradually written off," £4826. Of the £500,000 of authorized capital £50,000 have been issued, with ten per cent called up, of which £4775 have been paid in. Stockholders have also paid in £19,305 in advance of calls, which, with £452 of interest, makes the total capital liability £24,532. The profit and loss account shows a balance of £1100.

"El Dia" Insurance Company, Carthagena, Spain.

The statement of this company as of December 31, 1906, shows assets aggregating $2,994,547, including $1,800,000 of stockholders' notes. Its capital was $2,000,000, and it had a capital reserve of $6034 and a profit balance of $2896, after setting aside premium and loss reserves amounting to $836,000 and providing for other liabilities.

Helvetia Swiss Fire Insurance Company, St. Gall.

Judge Abbott recently granted an attachment for $283,209 against the Helvetia Swiss Fire in favor of John J. Tierney on claims for losses in the San Francisco conflagration of April, 1906.

Houston Fire and Marine, Houston, Tex.

This company has reinsured its business in the Southern of New Orleans and in the Guardian Fire of Pittsburg, and will retire from the field.

Illinois Bankers Fire Insurance Company, Mt. Vernon, Ill.

An examination of this company by the Illinois Insurance Department, as of July 31, 1907, showed that it then had $145,130 of admitted assets, a paid-up capital of $100,000 and a net surplus of $7692. The report stated that the company's losses were promptly paid and that it had had no litigation. It had $4,007,313 of risks in force, upon which the premiums in force aggregated $56,927, and the unearned premiums amounted to $33,107. The company is reported to be "economically, conservatively and intelligently managed."

THE SPECTATOR:

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The Spectator *has a larger circulation than any other insurance journal—and carries no "deadhead" subscriptions.*

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THERE has been considerable discussion of late relative to the interpretation to be put upon section 97 of the insurance laws, limiting the amount life insurance companies may pay to agents for new business. The question has arisen as to whether the limitation applies to agents as well as to companies, and Superintendent Kelsey was asked for a definite statement by Mr. Edwards, president of the National Association of Life Underwriters. Inasmuch as the Superintendent had previously given two opinions upon the subject, which seemed to contradict each other, Mr. Edwards' request was timely, and brought forth a letter from Superintendent Kelsey which will, doubtless, be final, so far as he is concerned. He takes the ground that whereas the legislature intended to limit the amount a company might pay for new business, it is to be inferred that such limitation would prohibit a general agent paying more to his sub-agents, even if the excess came out of his own pocket, for it is assumed that the agent would look to the company to reimburse him. He says: "Whether effective or not in practice, the legislative intent was that no life insurance corporation or agent thereof should expend or become liable for expenses in excess of the limitation prescribed." As the legislature was treating of companies without reference to or thought of agents, it is difficult to see how the Superintendent can know what its intent was regarding them. Probably its intent was to clearly place a limitation upon companies, leaving the agents free to work within those lines. But the Superintendent expresses a doubt as to whether the limitation can, "in practice," apply to the agents. A life insurance company is a quasi public institution, and as such subject to legislative control. A life insurance agent is a private individual, and not subject to the same control as the companies are. He makes his contract with a company whereby he is to receive a certain percentage of the first year's premium upon business he secures, and an interest in the renewals from year to year of such business. If he chooses to give a sub-agent his first commission, and, out of his own pocket, an additional sum for which he will be reimbursed from his renewal interest, no law can prevent him from doing so. The company in the final outcome pays back the advances thus made as the renewals fall due, but keeps within the limitation fixed by section 97. In short, it is doubtful if the legislature can prohibit a private individual from expending the money he earns, and that is unquestionably his personal property, in any way he pleases for the purpose of increasing the volume of his business. If he chooses to pay a sub-agent double the amount the company is permitted to pay, that is nobody's business but his own. The law has put such limitations upon the amount a company may pay for new business that they have been forced to reduce their compensation to agents, with the result that a large number of agents and solicitors have given up the business and sought other employment. This is a serious loss to the business of life insurance, and to the public to whom these men were carrying the benefits conferred by the companies they represented. Life insurance is conceded to be a public beneficence, lifting the burdens of poverty from many families, and to this extent relieving the public of the care of scores upon scores of widows and orphans. Whatever tends to lessen the number of persons so provided for adds so much to the burdens of the public. Agents and solicitors are necessary to the dissemination of life insurance blessings, and it is a mistaken public policy that drives them from the field.

AT the recent Convention of Insurance Commissioners held at Richmond, considerable attention was paid to fraternal organizations. Commissioner Rittenhouse of Colorado, in his paper on "Deceptive Insurance Matters," said: "One of the most notable instances of deceiving the public in the insurance world to-day is found in fraternal insurance." He declared it to be deceptive in the broadest sense because it promises permanent insurance and gives only temporary insurance. The fraternal organizations are based upon the fallacious idea that they can furnish trustworthy insurance at a less price than the regular legal reserve companies charge, and that the funds required to pay claims can be obtained by assessing the members at the lower rates adopted by them. A few of the better class of fraternals have realized the weakness of their plan and have advanced their rates to a point that nearly equals that of the legal reserve companies and have also accumulated reserve funds of moderate proportions, thus recognizing the correctness of the legal reserve plan and the utter untrustworthiness of the assessment plan. This class of fraternals have survived the trying ordeals of their first experiments, and, having seen the light, are becoming more useful the nearer they approach it. The social features connected with the fraternal idea are attractive to many persons, and accounts for the large membership of many of the orders. Certain ones of them, that have intelligently comprehended the situation, have kept upon solid ground, and have distributed millions of dollars in the payment of the death claims for which they became liable. The best that can be said of them, however, is that fraternal insurance is but a temporary makeshift for legitimate life insurance, that is protected by law, is guaranteed by abundant assets, and that has been demonstrated to be scientifically and practically correct by the experience of many years in this country and by still longer periods abroad. There is another class of fraternals,

however, that is still dependent entirely upon the post-mortem assessment plan for funds with which to pay claims, charging an inadequate rate, accumulating no reserve funds, but issuing policies that promise much that is impossible of fulfillment. As members grow older the death rate naturally becomes higher, assessments upon surviving members come thicker and faster, until they are finally repudiated by the members, who withdraw from the orders rather than pay the inordinate price demanded of them. The fate of the branches of the Ancient Order of United Workmen in Michigan and Missouri, to which reference has been made in The Spectator recently, fairly illustrates what may be expected to befall this class of fraternals. In those cases the death rate increased steadily year by year, the membership dwindled away rapidly, the liabilities piled up enormously, and there were little or no funds with which to pay. In one case the order went into the hands of a receiver, and the other bids fair to share the same fate at an early day. The beneficiaries of the members who died, and whose claims figure among the liabilities, will not be likely to receive a dollar of the sums due them. Experience has clearly demonstrated that the assessment plan of insurance is unsound in principle, a delusion, misleading and deceptive. It has cost those who put their trust in it many millions of dollars, and impoverished thousands of persons who had looked to it for support when the head of the family was taken away. The insurance officials of the several States can render no better service to their constituents than to see to it that every fraternal order within their jurisdiction is either placed upon a sure and trustworthy foundation or forced to give up business.

THE September fire loss in the United States and Canada, as compiled by The Journal of Commerce and Commercial Bulletin, aggregated $11,449,400. Although this indicates a burning rate of over $137,000,000 per annum, it was the smallest monthly loss of any of the first nine months of the year, the total for the nine months having reached the tremendous sum of $167,415,050, or at the rate of $223,220,064 for the full year. A notable feature of the month's fires was that there was but one in which the loss exceeded $300,000. Should the losses in the last quarter of 1907 not average above $11,000,000 per month, the year's ash heap will represent $25,000,000 more than the losses for the year 1905.

ALTHOUGH there have been no great conflagrations thus far during 1907, many fire underwriters are looking forward with more or less anxiety to the end of the year, when the companies will be obliged to prepare and file their annual statements. There has been a continuous succession of losses throughout the year, which have much exceeded the losses for corresponding portions of previous years, except those in which occurred fires entitled to rank as general conflagrations, and it is very doubtful whether premium receipts have kept pace with increasing losses. Another feature of existing conditions which gives cause for worry is the relatively low level to which the prices of many securities—particularly railroad stocks—have declined. The effect of reduced market valuations, as compared with those at the beginning of the year, has been to decrease the figures at which certain assets could be carried by very considerable sums, the paper losses in the cases of individual companies reaching as much as a million dollars. Some strong companies can look complacently upon such a shrinkage, but with others and with some of the smaller companies it means the annihilation, for statement purposes, of a considerable portion of their surplus funds. As the companies, however, are permanent investors, and are not obliged to dispose of their securities at current prices, the decline in market prices inflicts more an apparent than a real loss upon them. Nevertheless, it is to be hoped that more satisfactory conditions will prevail in December next.

INSURANCE COMMISSIONER FOLK has declared his opinion that, under the State law providing that insurance agents shall pay a tax to the State, which shall be in lieu of all other privilege taxes, no municipality has the right to impose a further privilege tax upon agents. Certain towns have endeavored to levy and collect such taxes, but the protests of the companies represented therein brought forth the expression above referred to by the Insurance Commissioner. The State taxes are sufficiently onerous without their being duplicated by municipalities.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

Bertram Carvalho, of King, Scheide & Co. of this city, has gone to Los Angeles to visit the home office of the Pacific Mutual Life and the Pacific Mutual Indemnity Company.

H. B. Rosen of Hartford, Conn., is the new president of the $200,000 club of the New York Life. He joined the agency force of the company in February, 1904, and has since made a splendid personal record. The officers and members of the $200,000 club number fifty-one, and during the club year they paid for $13,952,252 insurance.

The case against John R. Hegeman, president of the Metropolitan Life, and Robert A. Granniss, former vice-president of the Mutual Life, came up in the criminal branch of the Supreme Court on Monday. Counsel for Mr. Hegeman asked for an adjournment on the plea that many other calls upon his time had prevented him from properly preparing his argument. An adjournment was granted until next Monday, at which time Justice Dowling peremptorily instructed Mr. Hegeman's counsel to be ready. Counsel for Mr. Granniss argued that both indictments found against his client were founded on the same state of facts, and therefore under the statutes the prior indictment was superseded by the second one and should be quashed. According to a record of the indictments filed by the grand jury in June, 1906—when the Granniss indictments were found—which Mr. Gans had obtained, he contended the forgery indictment was filed first. Assistant District Attorney Kresel in opposing the motion filed a brief with the court and served a copy of the brief on Mr. Gans. Justice Dowling said he would not decide the motion until October 23, and in the meantime Mr. Gans would have time to look over the district attorney's brief and make any further argument he wished to at that time.

NOTES FROM PHILADELPHIA.

H. L. Washburn, formerly an agency director of the New York Life, has been appointed assistant manager of the Eastern Pennsylvania agency of the Union Central Life, of which Blair T. Scott is manager.

William C. Skinner has resigned as manager of the office of the Massachusetts Mutual in this city, to again connect himself with the Northwestern Mutual Life at Detroit, Mich.

E. P. Langley, who for many years has been the cashier of the

Philadelphia Clearing House office of the Equitable Life, has been appointed by the company agency supervisor for Philadelphia.

William L. Mooney, formerly assistant agency manager of the Philadelphia Casualty, is now a special agent of the Ætna Life for accident and liability business.

The Chicago Guaranty Company, to conduct a life insurance business, capital $25,000, filed articles of incorporation in the Camden county clerk's office on Saturday.

THE MIDDLE STATES.

Banquet of the Life Underwriters Association of New York.

A goodly number of members and friends of the Life Underwriters Association of New York met at Martin's on Tuesday evening to greet President C. J. Edwards and felicitate him upon his election to the presidency of the National Association. H. C. Cox of Toronto, the first-vice-president of the National body, was also present and made a brief address, as also did Robert Lynn Cox, secretary of the Association of Life Insurance Presidents. The principal address was that made by President Edwards, from which we make the following excerpts:

ADDRESS OF PRESIDENT CHAS. JEROME EDWARDS.

This meeting to-night and this tender of gracious hospitality and cordial greetings complimentary to my election to the presidency of the National Association certainly goes far to disprove the old adage that "A prophet is not without honor save in his own country." Far be it from me, however, to suggest the possession of either a prophet's judgment or virtues, for as I shall speak and such things as I may accomplish as a national official will merely reflect the thought and example of the Life Underwriters Association of New York and of the gentlemen before me.

I am deeply sensible of the honor that my home association does me in gathering here, where so many of my friends are assembled; those who have gone through the warfare of the last two years, meeting discouragement with buoyancy, dispelling fear by hope. And I feel that my election to the presidency of the National Association, instead of a personal tribute, was in reality an appreciation of this association as a whole, of its efforts, its character and the results accomplished thereby. And so my own appreciation should go to you and to your fellow members of this local body.

Since assuming the presidency of the National Association, I have been most fortunate in the relations I have enjoyed with the representative agents in all sections of the country and of all companies, more particularly, of course, the officers of the local associations. In this I have found a decided inspiration, especially in the general, even unanimous, approval accorded to my statement of principles and policy of administration as promulgated in my address before the Pittsburg association, in which I endeavored to point out the conditions which surround the life insurance agent's work of to-day, some of the ill effects which have followed in the wake of extreme legislation, and the unfortunate effect thereof upon the minds of so many agents, who have joined in a chorus of pessimism and are ready to urge any excuse for their failure to work.

Right here let me point out the particular fact that agents doing business in New York, no matter for what company, enjoy a decided advantage and a much more favorable opportunity than do agents of the same companies doing business throughout the West and South. It has required real bravery and continuous courage for agents in those sections to persistently endeavor to create results and make a living under conditions that they meet, for, as we all know, throughout all sections of the country new companies have sprung into existence; companies with influential backing, and the paying of extravagant commissions. Oddly enough, many such companies enjoy the actuarial counsel of those who advise low commissions to agents of companies operating in New York. In the face of this, such agents have indeed been put to a supreme test. Therefore, I am convinced that no matter in what way we may think we suffer, or what conditions may environ each of us individually, we should be far happier, just as we are far better off, than agents in other sections who have so much to contend with.

And right here let me observe that as far as the soliciting agent is concerned, his inability to do business to-day cannot to any great degree be charged to the expense limitation or the Armstrong law as a whole. He enjoys approximately the same compensation on life plans as in previous years. The compensation upon endowment forms should be, and, I am confident, will be in a measure re-adjusted. The agent who has persisted and who is consistently canvassing day by day is getting results. In fact, I am convinced that a great number of agents are doing more business and making more money than they ever did previous to 1905. Conditions of that year which created discontent on the part of the public, and discouragement to the agent have passed, and every man here knows that such conditions in no way affect the agent's opportunity to secure applications to-day. The man who can't or don't sell life insurance to-day never will be able to. This doesn't mean that there shall not be any modification of the law, permitting fairer treatment and better opportunity to make an income commensurate with the increased cost of living, but it does mean that any such consideration will not help agents who cannot help themselves or create new agents into success. * * * * *

Referring to Superintendent Kelsey's decision that general agents must not pay out of their own pockets excess commissions, Mr. Edwards said:

If the purpose of the statute was the protection of policyholders' funds, the intent of the legislators seems to have been frustrated by the casual opinion of the jurist, who thus establishes throughout the length and breadth of the land a period of further complications and anxiety. For upon this decision of Superintendent Kelsey, each and every agent becomes responsible for every detail of section 97. In his individual relation he must be careful that the aggregate expense in his agency, including first year's commissions to agents, for salary of agents, the cost of medical and inspection fees, and advances to agents, shall not exceed the total loading and mortality gains provided under the statute. He must not allow or pay any compensation other than that which has been determined in advance, nor any bonus, prize or reward; nor can he make any loan or advance to any agent without adequate collateral security which forbids the security of renewal commissions, or any advances or other compensation except against first year's commissions, which he must inclusively limit to the requirements of the section. In other words, every general agent becomes liable and responsible quite as much as the life insurance company itself. This seems radical, almost revolutionary (and it would appear to be the extreme limit to which agency managers could be subjected). We have the comforting thought, however, that a condition so complicated must call for some relief, and that section 97 will most certainly be the subject of revision at the next session of the legislature. We can well stand this added trouble and irritation for the present, if it but serves to lead us to easier paths and broader opportunities for the future.

And in predicting a modification of section 97, I reiterate that if Governor Hughes be convinced that there be reasons, just and proper ground for such consideration, then such reforms will be forthcoming. It shall be the province of the New York Association and of its law committee, of which Mr. Johnson is the able chairman, as well as the faithful friend of the agent, to place before Governor Hughes such representations, conclusions and data as will be so sufficiently illustrative of the requirements of the agents as to permit of some latitude, some broadening of the section. By this I do not mean that extravagance should replace conservatism or excessive commissions re-establish rebating, high-pressure schemes and unreliable agency methods, but it means a fair and rational provision for the conditions we must meet, and opportunities for improvement and progress consistent with the good principles which Governor Hughes enunciated, and which are so happily represented in his own character.

The Equitable's Pittsburg Agency.

The Pittsburg agency of the Equitable recently concluded the most successful and profitable two days' convention that it has ever had. The first day was spent in Sewickley. Nearly all the agents, many of them accompanied by their wives, went to Manager Edward A. Woods' house, where he and his wife received them. Following this was a luncheon at the Edgeworth Club. During the afternoon the guests made their headquarters in Mr. Woods' magnificent new place on the Sewickley Heights, where the afternoon was spent in tally-ho riding, and in games of various kinds. Late in the afternoon a unique picnic dinner was cooked and served over a regular camp fire, and the evening was spent around a great big old-fashioned bon-fire on the top of the hill. Songs and speeches were indulged in, and some very humorous sketches were made by Secretary Alexander.

The next day was spent at the Schenley Hotel, Pittsburg, and was devoted strictly to business. The guests of honor were: Secretary Alexander, Superintendent of Agencies Mr. Taylor, and Medical Director Dr. Rockwell. In the midst of the opening exercises the convention was thrown into applause at the unexpected entrance of Vice-President Geo. T. Wilson, who surprised and delighted his Pittsburg friends by walking in upon them. After the preliminary exercises the most important event of the whole meeting was the organization of the Pittsburg Veteran Legion, of which notice has been made in these columns.

The balance of the morning was devoted to speeches by Vice-President Wilson, Secretary Alexander, Superintendent Taylor, and Medical Director Rockwell. After luncheon the convention was reconvened, and a number of important announcements were made by Mr. Woods. The work of the afternoon was the distributing of agency identification cards, something quite unique in agency work. Each man under contract is given a card designed by Tiffany, certifying over the signature of President Morton, Insurance Commissioner Martin, and Manager Woods, that the holder whose signature is attached is a duly authorized Equitable agent. Following this was the announcement of a set of prizes. The gathering closed late in the afternoon, after the agents had pledged five and one-half millions of business for the balance of the year.

The Fidelity Mutual Life Insurance Company.

The monthly bulletin of the Fidelity Mutual Life of Philadelphia claims that the active agents of the company have never met with better success than now, they having concentrated on the advantages the company affords them and their clients. During the summer the company was examined by S. H. Wolfe on behalf of the Insurance Department of Kentucky, and a very favorable report rendered. In speaking of the investments of the company the examiner highly commended the bond holdings, saying "they constitute a group of excellent and well-distributed investments, and the care exercised in this department is worthy of comment and approval."

Col. O. C. Bosbyshell, who has been treasurer of the company since 1894, and had also served it for ten years prior to that, tendered his resignation on the eighth instant, and F. X. Quinn was elected in his stead, and also as a member of the board of directors.

—August Weil, president of the Weil-Haskell Company of New York, died recently, leaving $200,000 life insurance.

—The Fellowship of Solidarity, of Buffalo, is considering a proposition for reinsurance in the Postal Life of New York city.

—Announcement has been made by the New York State Civil Service Commission that out of the thirty-nine candidates who tried the recent examination for examiner in the New York State Insurance Department, four were successful. They are Clarence J. Norton and John L. Train of Albany, Leon S. Seinor of New York, and William B. B. Smith of Rochester.

THE NEW ENGLAND FIELD.

—At the dinner of the Connecticut Life Underwriters Association at the Hartford Club, Friday evening, William Tolman of Bridgeport, National Treasurer Eli D. Weeks of Litchfield, and Richard M. Northrop, of the Travelers of Hartford, the association's delegates, told of various phases of the recent Toronto national convention.

—The Puritan Life Insurance Company of Providence, R. I., has been licensed in Rhode Island. Henry Moir of New York will be the company's actuary. The following are the officers and directors of the company: Darius L. Goff of Pawtucket, president; vice-presidents—J. D. E. Jones of Providence and Rowland G. Hazard of Peace Dale; Dr. James E. Sullivan of Providence, treasurer; Clinton C. White of Providence, secretary; medical director, Dr. Edmund D. Chesebro of Providence; directors—Benjamin F. Arnold, Walter Callender, Richard W. Comstock, Herbert N. Fenner, al' of Providence; Lyman P. Goff of Pawtucket, John S. Murdock and Edward P. Metcalf of Providence, A. J. Pothier of Woonsocket, Charles J. Perry of Westerly, Edward H. Rathbun of Woonsocket, Arnold Schaer of Warren, J. K. Sullivan of Newport, Oscar Swanson of Providence, Ernest W. Tinkham of Harrisville, Ralph C. Watrous of Providence, George B. Waterhouse of Centreville, and Messrs. Goff, Jones, Hazard, Chesebro and James E. Sullivan.

THE WEST.

—The Kansas City Life has entered South Dakota.

—The Merchants Life of Chicago is being organized as an assessment company.

—The Bankers Accident Association of East St. Louis, Ill., is now doing business. J. A. Goddall is secretary.

—S. P. Davis, former Insurance Commissioner in Nevada, has taken the Nevada general agency of the Equitable Life.

—The Pioneer Life Association of Davenport, Ia., is being wound up by the Insurance Department and the Attorney-General.

—Dr. S. M. Pearman of Chicago is now associated with the Rhodus Brothers in the Central Life Securities Company and the Republic Life.

—The physicians of Texas are soliciting signatures to an agreement not to make a medical examination for any old line company for less than $5.

—Daniel J. McNamara has been appointed Ohio manager of the North American Life of Newark, with headquarters in the Wyandotte building at Columbus.

—During this month the courts will decide the status of the National Protective Legion in Iowa. Auditor Carroll recently ordered the company to cease business in that State.

—A stock life company is being organized by Kansas City (Kan.) and Topeka parties. The proposed capital is $100,000, and J. E. Mulligan, formerly of Minneapolis, is the organizer.

—The Jefferson Life of Indianapolis, which was reinsured by the Ohio State Life, has filed suit against S. M. Richcreek of Indianapolis for replevin of $77,000 of notes and stock, which the company alleges he holds illegally.

—William Sherman Donahey, auditor of the Des Moines Life of Des Moines, Ia., was married on the 9th inst. to Lillian Clyde Frazier. A large circle of acquaintances join in wishing the newly wedded couple every happiness.

—Some time ago the Insurance Department of Illinois refunded $61,351 of taxes to three New York companies, under an alleged misconstruction of the laws. The three companies have had to pay back this sum, the Mutual Life paying $17,619; Equitable, $11,486, and New York Life, $32,146.

—The First Savings Bank Life Insurance Company has been organized at Rock Island, Ill., on legal reserve lines, with $150,000 capital. The company will be managed by Milton Denny and James L. Ferguson of Chicago. Mr. Denny has been connected with the Mutual Life, Ætna Life and Equitable Life companies, and Mr. Ferguson has been with the Mutual and Prudential.

THE SOUTH.

Rights of Mutuals in Texas.

Thomas B. Love, Commissioner of Insurance of Texas, has issued a ruling in which he defines the rights of mutual life companies. This ruling was given as the result of the application of the Security Life and Annuity Company of Greensboro, N. C., for admission to Texas.

In view of the fact that there has been much discussion, pro and con, for several years as to whether or not a mutual life insurance company having no shares or stock in the ordinary sense of the term, but organized on a purely mutual basis, could be admitted to do business in this State, I desire to give my reasons for holding that the law does not prohibit the admission of such companies.

The statute which has been urged as prohibiting the admission of the mutual companies is article 3065 of the revised statutes, which reads as follows:

No life or health insurance company, incorporated in this State or any other State, unless such company is possessed of at least $100,000 of actual capital invested in stocks, bonds, mortgages and other satisfactory evidences of security, the market value of which shall not be less than $100,000.

The question under consideration turns upon the meaning of the words "actual capital" as used in this statute. I hold that they can not be construed as meaning only capital paid in by stockholders in a stock company or as being synonymous with the term capital stock as those words are used in the ordinary sense, and that the statute does not prohibit the admission of a company which has bona fide assets exceeding its liabilities by the amount of $100,000, or in other words, $100,000 of surplus assets. This holding is in line with the uniform ruling of the Texas Insurance Department immediately after the original passage of this act in 1874, and under which probably the major portion of the life insurance business written in Texas has been written by mutual companies.

—The Old Colony Life has been licensed in Georgia.

—Stuart A. Howard, formerly agency director for the Home Life of New York, has been appointed acting superintendent of agents for the American National Life of Lynchburg, Va., vice Walter S. Mandeville, resigned.

—L. W. Key, secretary of the Citizens Life of Louisville, has been elected fourth vice-president. J. W. Peake, assistant secretary, has been advanced to the office of secretary, and Martin Lindsey of Pollard, Ala., has been elected a director.

—The Southern States Life of Atlanta reports its September business as twenty-five per cent in excess of that of August, while October is showing even better. The leading States in September were Georgia, Florida and Alabama, with R. H. Jones leading the soliciting force.

—Carter & West, State agents of the Volunteer State Life at Jackson, Miss., received $130,000 in new business during the last two days of September. This is an unusually large amount of business, and was the result of a friendly contest between the agents of the company in the several States. The business of the Volunteer State Life in Mississippi this year will show a handsome increase over that of 1906.

—Fred W. Hagen of Atlanta, Ga., formerly with the National Life of Vermont, has formed a connection with the Greensboro Life of Greensboro, N. C., and will represent that company as general agent in North Georgia, with headquarters in the English-American building, Atlanta. He is organizing an agency force that will cover his territory thoroughly. The Greensboro Life will plant a general agency in South Georgia before the end of the year.

—A stockholder of the Keystone Life of New Orleans has applied for a receiver, charging that it is practically insolvent, the directors having expended more than $65,000 and having taken in only $22,000. It is claimed that salaries alone amounted to $2500 a month in excess of receipts, and the company is charged with issuing policies without medical examination and paying improper death losses without investigation. A hearing has been set for October 18.

—The Alabama National Life Insurance Company has been organized in Birmingham, Ala. The capital stock is $400,000, of which $125,000 has been paid in. The officers are as follows: A. D. Smith, Birmingham, president; J. T. Palmer, Birmingham, and S. V. Woodfin, Marion, vice-presidents; A. F. Armstrong, Marion, secretary; Edward Brand, Birmingham, assistant secretary; E. F. Enslen, treasurer; Dr. J. D. Heacock, medical director. The following directors were chosen: J. S. Pinckard, Montgomery; Massey Wilson, Montgomery; A. D. Smith, Birmingham; J. L. Glenn, Birmingham; A. F. Armstrong, Marion, Ala.; R. G. Hewitt, Birmingham; J. T. Palmer, Birmingham; S. V. Woodfin, Marion; E. F. Enslen, Birmingham; W. E. Erquhart, Birmingham; S. E. Stewart, Hartselle, Ala.; J. S. Gillespy, Birmingham; J. F. Webb, Birmingham; R. C. Bacus, Birmingham; G. W. Beach, Birmingham; J. S. Palmer, Birmingham; N. G. Davis, Mobile; J. D. Heacock, Birmingham; W. H. Smith, Birmingham; Rosco McConnell, Birmingham; Edward Brand, Birmingham; J. L. Yancey, Birmingham.

MISCELLANEOUS LIFE NEWS.

Insurance Commissioner's Committees Appointed.

Reau E. Folk, Insurance Commissioner of Tennessee, and also president of the National Convention of Insurance Commissioners, has appointed the following standing committees for 1907-'08:

Laws and Legislation—A. I. Vorys, Ohio; W. Q. Cole, Mississippi; B. F. Crouse, Maryland; W. D. Vandiver, Missouri; A. C. Scherr, West Virginia; J. C. Billheimer, Indiana; Joseph Button, Virginia; E. E. Rittenhouse, Colorado.

Blanks—H. D. Appleton, New York; J. J. Brinkerhoff, Illinois; J. H. Woodward, Connecticut; T. L. Thompson, Tennessee; C. W. Fletcher, Massachusetts; A. I. Vorys, Ohio; C. H. Taylor, Jr., Virginia; M. O. Rowland, Michigan.

Rates of Mortality and Interest—George E. Beedle, Wisconsin; J. E. Green, Maryland; A. W. Jones, South Carolina; W. A. Wright, Georgia; J. C. Billheimer, Indiana; J. R. Young, North Carolina; A. C. Sexton, Alabama; F. L. Cutting, Massachusetts.

Assets of Insurance Companies—George H. Adams, New Hampshire; G. E. Beedle, Wisconsin; S. P. Davis, Nevada; E. M. Wolf, California; F. H. Hardison, Massachusetts; E. M. Searles, Nebraska; J. C. Perkins, North Dakota; J. L. Pierce, Nebraska.

Credentials—George W. Marshall, Delaware; F. G. Fleetwood, Vermont; W. V. Knott, Florida; O. C. Gray, Rhode Island; H. H. Mowbray,

North Carolina; F. I. Dunbar, Oregon; D. O. Watkins, New Jersey; A. E. Moore, Arkansas.

Reserve Other Than Life—F. H. Hardison, Massachusetts; S. E. Stilwell, Ohio; J. H. Woodward, Connecticut; L. A. Anderson, Wisconsin; Nelson B. Hadley, New York; B. F. Crouse, Maryland; J. J. Brinkerhoff, Illinois; S. W. McCullough, Pennsylvania.

Miscellaneous—T. H. McDonald, Connecticut; A. C. Hann, Colorado; C. W. Barnes, Kansas; LeRoy Grant, Wyoming; A. C. Scherr, West Virginia; H. R. Cunningham, Montana; W. D. Roney, Pennsylvania; E. C. Copper, North Dakota.

Unauthorized Insurance—J. R. Young, North Carolina; E. E. Rittenhouse, Colorado; Thomas B. Love, Texas; E. L. Liggett, Idaho; G. W. Marshall, Delaware; Thomas E. Drake, District of Columbia; Fred W. Potter, Illinois; S. W. Carr, Maine.

Fraternal Insurance—Fred W. Potter, Illinois; F. H. Hardison, Massachusetts; L. A. Anderson, Wisconsin; S. H. Nichols, Washington; Daniel Curry, District of Columbia; J. N. Brenneman, Virginia; E. J. McGiveney, Louisiana; R. E. Foster, Pennsylvania.

Place of Meeting and Officers—Thomas E. Drake, District of Columbia; T. H. McDonald, Connecticut; H. R. Prewitt, Kentucky; J. A. Hartigan, Minnesota; W. Q. Cole, Mississippi; C. C. Gray, Rhode Island; Joseph Button, Virginia.

Special Committee on Taxation—H. R. Prewitt, Kentucky; J. V. Barry, Michigan; B. F. Carroll, Iowa; Fred W. Potter, Illinois; A. I. Vorys, Ohio; B. F. Crouse, Maryland; Otto Kelsey, New York; James A. Hartigan, Minnesota.

Actuarial Society of America.

The regular semi-annual meeting of the Actuarial Society of America was held at Toronto last week and was well attended. A number of instructive papers were read as follows: "Mortality Experience of Yale Graduates 1792-1901," inclusive, by Edward B. Morris; "Mortality Table for Female Beneficiaries in Survivorship Annuities," by Christian Jensen; "On Surplus Distribution," by D. E. Kilgour; "Valuation of Policies on the Select and Ultimate Basis," by H. N. Sheppard; "Valuation and Distribution," by Henry Moir, and "Recent Insurance Legislation," by E. E. Rhodes. The two latter papers are extremely important and present an array of facts, which will be found of considerable service to every person interested in life insurance.

Miscellaneous Insurance in Hawaii in 1906.

Name and Location of Company.	Premiums Received.	Losses Paid.	Ratio of Losses Paid to Premiums.
Accident and Health.	$	$	%
Continental Casualty, Chicago	2,838	3,124	110.1
Employers Liability, London	2,512	366	13.4
London Guarantee and Accident, London	97	29	29.9
Pacific Mutual Life, San Francisco	2,231	105	4.7
Preferred Accident, New York	5,172	4,175	80.7
Standard Life and Accident, Detroit	2,641	3,018	114.4
Totals	15,491	10,817	69.8
Employers Liability.			
Employers Liability, London	3,034	396	13.0
London Guarantee and Accident, London	1,184	......	....
Pacific Coast Casualty, San Francisco	1,305	......	....
Totals	5,523	396	7.2
Fidelity and Surety.			
Fidelity and Deposit, Baltimore	1,025	......	....
Pacific Surety, San Francisco	9,569	......	....
United States Fidelity and Guaranty, Baltimore	4,423	......	....
Totals	15,017	......	....
Plate Glass.			
Metropolitan Casualty, New York	253	......	....
Pacific Surety, San Francisco	883	50	5.6
Totals	1,136	50	4.4
Steam Boiler.			
Pacific Coast Casualty, San Francisco	13	......	....
Aggregates	37,180	11,263	30.3

—Insurance against burial at sea is the latest.

—A petition in involuntary bankruptcy last week set forth that the petitioner had $550,000 of liabilities and $125 of assets. That looks much like a statemen of a fraternal order or an assessment company.

—Bonds amounting to from three to five million dollars will still be required in connection with the Catskill water system for New York city.

INDUSTRIAL INSURANCE

—A. C. Duncan, of the Colonial at Williamsburgh, and J. Tapfer, Bronx, have been appointed to assistancies.

—The real method to learn the art of canvassing is to go right out after the business, making it a door-to-door solicitation.

—A scientific journal recently spoke of an apparatus for resuscitating persons apparently dead. There is a class of agents among which this new invention will never become popular.

—Manager O'Neil, of the Colonial in the Bronx district, has accepted the challenge of Manager Griffin of Jersey City, and will present the Jersey City staff with a box of perfectos if they win.

—Superintendent A. X. Schmitt of the Prudential has accepted the challenge of division L, sent to him through Division Manager Feder, the contest being for joint increase during the remainder of 1907.

—The Prudential's leading superintendents in industrial increase for the year are: V. W. Kenney, Baltimore 3; G. S. Wainwright, Washington; J. Pauer, McKeesport; A. X. Schmitt, Chicago 2; Z. T. Miller, New York 8.

—Assistant Doyle, of the Colonial at Trenton, has challenged Assistant Millard of Reading, best two out of three, last quarter of the year, and also any assistant in the company's service on industrial only, for the last quarter.

—During the first few months of a baby's life its pulse beats at the rate of 140. Some men in the life insurance business could hustle out among their prospects, thereby improving their own circulations, without any danger of acting babyish.

—Assistant A. Newman of the Colonial at Trenton has issued a challenge to Assistant Millard of Reading, best "two out of three," last quarter of the year. Failing to get Millard, Mr. Newman will take up any assistant in the company's service.

—The Life Insurance Company of Virginia announces the following changes and promotions. Agent J. O. Patrick appointed agent in charge of Orangeburg. Agent J. H. Thomas of Darlington has been put in charge of the combined Darlington and Florence districts.

—Agent Eli Cross, of the Salisbury district of the Life Insurance Company of Virginia, on his debit, which amounts to more than $70, collected 376 per cent week before last. This is the largest collection per cent ever made on a debit of this size by an agent of the Life Insurance Company of Virginia.

—With nine months of the year gone, the Richmond district of the Life Insurance Company of Virginia is leading the field. The Vaughan, Gilham, Barrett and Jones assistancies are accomplishing great results. Durham is next, with Terre Haute five dollars behind. Newport News is behind Terre Haute, and then comes Union and Lynchburg.

—The Prudential Weekly Record of October 7 is commemorative of the thirty-second anniversary of the company. It shows a cut of the office of the Prudential Friendly Society in 1875-1878, the seed whence has grown the Prudential. On another page is reproduced the first application received, signed by John F. Dryden. The first ordinary application is also reproduced. It was for a $5000 policy to be issued to President John F. Dryden.

—According to a tabulation recently made from tables published in The Investors Guide, the number of adult persons who die without leaving any estate whatever is very large. Out of 5164 adult persons the average number dying each year for the last six years in a certain county in Pennsylvania, 4599 left no estate at all (or none worth adjudicating); 172 left estates of from $300 to $500; 230 left estates of from $1000 to $5000; 75 left estates of from $5000 to $10,000; 87 left estates of over $10,000. These figures only add another argument in favor of some form of life insurance.

—J. L. Coyle of the Prudential went to Hartford from New York, Monday, and at once took charge of the Hartford office, succeeding C. W. Godfrey, who has been Hartford superintendent a number of years, and has been transferred to the superintendency of New York 2. Last Friday afternoon the Hartford agents and assistant superintendents gathered in Mr. Godfrey's office and presented him with a gold-mounted walking stick and a silver loving cup. H. G. Sperry delivered a brief presentation address, and Mr. Godfrey expressed his deep appreciation of the gift in reply and regretted his departure from his associates keenly.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

The companies which have stuck to their lines on the traction companies' properties in this city have had another shock by the Avenue B fire last week, and we are not surprised to hear of a few cancellations. A big schedule with a big premium is a tempting morsel in dull times, but the experience of this schedule has been disastrous, and affords another proof of the old fallacy that the volume of premiums is not equal (generally) to the volume of losses.

Some large lines have been offered and accepted on the tallest of several skyscrapers lately. The coinsurance clause added to the mortgage clause required on these costly structures, tends to boom the amount of fire insurance demanded to satisfy both clauses. The rates are predicated upon fireproof construction, and it is understood the counter clerks in the largest offices stand with open arms and ready pens, anxious to sign for their full limit. The money-lenders are likewise willing to lend large sums upon the security, but profess to scrutinize the quality of the insurance offered as additional collateral. These two concurrent forms of willingness indicate a healthy absence of fear that the danger of fire is serious, but evidently the underwriter is of equal importance with the money-lender.

The death of Agent Banta was a shock to the brokers. He was their mainstay in many a tight place and had the first call with many of them when they had new lines. One of the points in his favor with brokers was that he had no brokerage interests to serve and protected his customers to the utmost. With all of his popularity among customers, he never attended either Exchange or local Board meetings, and was a law unto himself in many matters which permitted independent action.

The offerings of surplus lines upon city risks has fallen off considerably, while the offer of lines for out of town seems to increase. The Western elevator lines are large and continuous, and the packing house interests show steady gains. The city risks, outside of a few department stores, are in demand by the surplus line operators. The publication of the affidavit risks from Albany are delusive, because the rule of demanding affidavits for each order simply multiplies the affidavits without any increase in orders. There are more surplus line companies now than ever, and it is apparent their maws cannot be filled. The special desire of these companies is the city business; and as the demand for city surplus diminishes, the disappointment of the expectant company for the outside increases.

The latest Armstrong-Excelsior wrinkle is a report that the company is scanning the list of risks placed in unrepresented companies; and that unless he has an offer upon such risks, he threatens to complain to the Insurance Department. This is not a new thing with the president of the Excelsior. He used to do the same thing in the days of the old Mutual. He does not mean to be left out on any sprinklered risk which is given to unrepresented companies, and is prepared to fight for his share.

As if a loss on the traction property in this city were not enough last week, a trifle of $100,000 is reported from Baltimore, and nearly every company in New York is on the list. One of the liberal-writing offices, with allied interests under various titles, is quoted for nearly $600,000 at risk under the schedule, but the loss is less than two and a half per cent under the schedule.

On Monday there were sales of 600 shares of New York, New Haven and Hartford Railroad stock, of which 500 came out of the assets of a fire insurance company and involved a sacrifice on the original cost equal to $30,000. Luckily the company has a very large surplus, and the loss did not hurt. For all that, it was an unpleasant experience.

The Cosmopolitan Fire announces that it will join with the New Hampshire Fire on January 1 in conducting a Metropolitan district office under the management of F. A. Pawley.

General Manager H. C. Buchenberger of the Hamburg-Bremen Fire sails to-day on the "Amerika" for Hamburg, leaving Manager F. O. Affeld in sole charge of the United States branch. Charles E. Mitchell, formerly agency secretary, has been appointed secretary, and George Aschermann assistant secretary.

The executors of the estate of W. S. Banta have called a meeting to-day of the companies represented in the Banta agency. The question of continuing the agency will be discussed, and if this meets with approval, the method of carrying it into effect.

David P. Winne, for many years with John R. Waters, will enter the general insurance brokerage business on his own account about January 1.

The unpopularity of the average farm risk is perhaps more emphatic in the East than in the West. Companies operating in the Hudson river valley and through the river counties have had a hard experience with farm houses, and a harder one trying to prevent agents in adjoining towns from forcing the risks upon them. After a prolonged investigation by an inspector, the report filed with a company heretofore a free writer of such properties, sets forth that the fault is with the moral hazard, beginning with a reckless carelessness, a heavy mortgage and over-insurance. One loss was paid where the mortgagee collected a total loss and the owner a partial loss under circumstances which indicated, but did not prove, incendiarism.

The story of an intended withdrawal of an English company has been revived, with increasing specifications, which are of course denied in the quarter affected. The peculiarity of it this time is that there is no sign of any reinsurance being in the market. The company's representatives in this city repudiate the truth of the report that such an occurence is likely.

BOSTON AND VICINITY.

The recent destruction of the great Magnolia Hotel, at Magnolia, Mass., served to round out a season of disaster in the way of fires in summer hotels in New England. The past season has been a record-breaker in the destruction of this class of property.

This leads to another thought, namely, in regard to the heavy losses on nearly all classes of property. A great part of these are of incendiary origin, and it looks to many insurance men as though the State police could "get busy" with considerable profit to all concerned; and not a few sigh for the return of the time when the fire marshal's office was distinct from the district police and under the vigorous administration of Charles W. Whitcomb. His inquisitorial methods were most effective, to say the least.

The Boston Board of Fire Underwriters has voted to formally notify owners of warehouses in Boston that they must remove all cotton waste, rags and such material, from warehouses containing other merchandise before November 1, or rates on such buildings will be substantially advanced.

Linwood Linscott has been appointed agency special of the office of Hinckley & Woods.

The committee on insurance laws of the Massachusetts Legislature gave a hearing, Thursday, relative to a further codification of the laws. Among the prominent underwriters who appeared and addressed the committee were President George P. Field of the Boston Board of Fire Underwriters, and President Damon of the Springfield Fire and Marine.

NOTES FROM PHILADELPHIA.

The Fire Insurance Society began its meetings for the season on Monday evening. Messrs. McDevitt and Devereaux of Philadelphia Fire Underwriters Association gave a very interesting and instructive talk on the hazards of moving picture machines and how to guard against them.

The agency of the Buffalo German, recently acquired by the Wm. Arrott agency in the taking over the agency of Shubert, Odiorne & Co., has been transferred to Louis C. Madeira & Sons.

Richard H. Patton has made arrangements to have his insurance business conducted from the office of Leonard M. Addis, while he will devote his time to the securing of new business.

THE MIDDLE STATES.

Death of Stephen Brown.

Stephen Brown of Glens Falls, counsel, vice-president and one of the largest stockholders of the "old and tried" Glens Falls Insurance Company, died last week, aged eighty-two years. Mr. Brown was also president of the National Bank of Glens Falls and a large stockholder of that institution. His son, Louis M. Brown, was a Harvard classmate of President Roosevelt.

The Passing of William S. Banta.

William Sayre Banta, of the well-known New York insurance firm of W. S. Banta & Co., died last week at Roosevelt Hospital after an operation for a malignant growth in the tongue and part of the throat. Mr. Banta was fifty-four years old, and the most prominent agent in the Metropolitan district. He represented a strong list of companies, and was a popular figure among the brokers. His untimely death is deeply mourned by a large circle of friends.

—W. S. Hall has been appointed special agent of the Newman & MacBain general agency for New York State.

—Newman & MacBain of New York city have been appointed New York State general agents of the German Union Fire of Baltimore.

—Charles B. Squire, an insurance broker of New York city, has filed a petition in bankruptcy, with liabilities of $34,848 and nominal assets of $1410 in outstanding loans. The debts are principally on notes for borrowed money.

—Each member of the insurance committee of the New York Board of Trade and Transportation has been asked to sign a letter to Governor Hughes soliciting his influence to secure the adoption of a new standard form of fire insurance policy for New York.

—Attorney-General Jackson has handed down a decision denying the application of Fred. W. Cook to bring an action in the name of the people against R. G. Speed and others from acting as a corporation under the name of the Tompkins County Co-operative Fire Insurance Company, on the ground that the certificate of incorporation is defective.

THE WEST.

FIRE UNDERWRITERS ASSOCIATION OF THE NORTHWEST.

Thirty-eighth Annual Convention—Co-operation Urged Between Companies and Agents—Vorys of Ohio Predicts Classification of Loss Statistics—Carroll L. De Witt Elected President.

A large delegation of insurance men was present at the first day's session of the Fire Underwriters Association of the Northwest, which met at Chicago last week for a two days' conference. W. E. Highby read the report of the committee on the death of W. L. King, and the vice-president moved to have a memorial presented to the family. The report of the board of directors was read by the secretary and adopted, except certain changes in the constitution. The secretary announced that the association now has 722 members, nineteen being dropped during the last year and the same number being taken in during the year.

Clarence G. Meeker of the Concordia, successor to W. L. King, spoke of reforms needed in the business. He advocated uniform rates and policies and co-operation in forms and practices. In his opinion the practice of haste in settlement of fire losses in order to bring favor on insurance companies, was one of the greatest evils of the business. Insurance Superintendent Vorys of Ohio urged the need of classifications, and that part of reserve funds be used in cases of emergency for the payment of fire losses, provided it was afterward made good to the company. He also held that loss claimants should be given the first chance in preference to return premiums in cases of insolvency. A prediction was made by representatives of the Insurance Department of Ohio and Illinois of closer regulation of fire insurance by the States. Classification of loss statistics and advisory rates based upon these statistics, or the power to decide disputes between the insurer and the insured, would be given State Departments. Oscar B. Ryan, special counsel for the Illinois Department, offset this, however, by admitting that adverse legislation against the companies had increased the cost generally to the insured.

M. L. C. Funkhouser of Montgomery & Funkhouser, spoke on "Affiliation." He attributed much of the trouble which confronts the insurance business to-day to the lack of co-operation among companies and field men. A greater measure of authority in the field was pleaded for, as the field men were in closer touch with the situation and could be trusted to decide wisely and deal fairly. Mr. Funkhouser deprecated the separation rule as tending to prevent the co-operation of a large number of companies.

Ashley Cockrell, an attorney of Little Rock, Ark., held that the tendency of many courts was to apply a separate standard to insurance cases from that usually obtaining. He upheld this by various citations from cases.

C. T. Deatrick, Ohio State agent of the Home of New York, spoke on "The Education of the Public Through the Agent," holding that the public can only be educated by an educated agent.

Young E. Allison, editor of The Insurance Field, said that the scientific features of the fire insurance business have only been developed since the Chicago fire in 1871. Mr. Allison regards scientific schedule rating as the most prominent feature of progress in the business, the important problem for the future being the discovery of the best method of analyzing fire losses and classifying hazards.

James W. Going, vice-president of the Shawnee Fire, showed the need for a better understanding between companies and State officials, and held that this could be secured through the local agents and their organizations. Mr. Going advocated adherence to advisory rates, as rate wars would tend to increase the number of anti-compact States.

After one of the most hotly contested elections in the history of the association, Carroll L. De Witt, Western general agent of the Newark Fire, was elected president. W. O. Chamberlain, Minnesota State agent of the Commercial Union, was elected vice-president. Nelson Briggs of the North British and Mercantile, secretary, and W. R. Townley of the Western and British America, treasurer, were elected by acclamation.

Ohio Observations.

[From Our Own Correspondent.]

Superintendent Vorys rules that 99-year leaseholds are not to be considered as investments in the schedules of assets of insurance companies, on the ground that they are not unencumbered property under the meaning of the Ohio statute.

One of the large companies is being charged with the payment of excess commissions in order to get solicitors with preferred business for its Cleveland salaried manager's office. Some one must divide up in order to give business to the nineteen additional companies which have come into the city in the last year, and some of the old established companies are determined that they will not be the sufferers.

Carl H. Smith, formerly Ohio special of the German of Freeport, is at work for the Union of Buffalo in the State. D. H. Stone, Jr., will handle the Delaware of Dover hereafter, and J. H. Higgins becomes special agent of the Columbia of Dayton.

Columbus, October 12. Christopher.

—The Imperial Fire of Denver is entering Ohio.

—The Hamilton Fire of New York has abandoned the Nebraska field.

—The Richmond Fire has appointed Rollo, Webster & Co. its Chicago agents.

—W. B. Elliott, a local agent at Marshaltown, Ia., becomes Iowa special agent of the Buffalo German.

—B. F. Masters of Chicago has been elected president of the National Manufacturers Mutual of Janesville, Wis.

—The Atlas of Des Moines has decided to retire from the surplus line field as soon as existing contracts can be terminated.

—H. V. Mercer of Chicago has been appointed general agent for Missouri of the Retail Hardware Mutual Fire of Minneapolis.

—Charles L. Hecox, Ohio State agent for the Delaware and the Reliance of Philadelphia, has been appointed executive special agent, with headquarters in Chicago.

—Sherman Mott, secretary of the Manufacturers Mutual Fire of Indianapolis, which is being examined by the Illinois Insurance Department, is reported as having resigned.

—M. T. Jameson, a special agent of the Century of Des Moines, and Walter T. Whitson of the Kansas Rating Bureau have been appointed special agents of the Freeholders of Topeka.

—Judge George F. Logan of Sedalia, Mo., has been appointed special commissioner to take testimony in order to determine if there is a fire insurance trust doing business in Missouri.

—Louis E. Spencer, son of C. H. Spencer, manager of the Central department of the Walla Walla Fire, has been appointed Ohio special agent of the company, with headquarters at Columbus.

—At a recent meeting at Chicago of companies interested in tornado business a committee was appointed to arrange for a meeting later in the year, when it is understood some satisfactory arrangement may be reached.

—Vice-President Silvey, of the Hamilton Fire of New York, was in Chicago recently. He gave the sole agency of the company in Chicago to de Roode, Faulkner & Ettelson, and also appointed them State agents for Illinois.

—The Mercantile Insurance Agency of St. Louis, Mo., has been appointed sole agent for the Teutonia Fire of Allegheny. It also has first agencies of the Humboldt of Allegheny, Adirondack Fire of New York, and Lumber Insurance Company of New York, with an independent line for the Pennsylvania Fire and second agencies for about a dozen more fire companies. In addition, the Mer-

cantile Insurance Agency represents several casualty and surety companies for various classes of business.

—According to the report of the engineers of the committee on fire prevention, the conflagration hazard at St. Paul is severe in many parts of the congested district. The water supply is ample, but distribution system inadequate. Fire department is also insufficient and the fire alarm system only fairly reliable.

—The Wisconsin Grand Nest of the Blue Goose, which has exercised the function of general control as the parent body of the new secret society of fire insurance men, has yielded its privileges, and will hereafter be known as the Home Nest. A Grand Nest is to be formed representing the various State organizations.

—President George W. Law of the Western Union has completed the committee of eleven which is to report on conditions throughout the field and submit its findings to a special meeting of the association not later than December 18. The members are as follows: J. W. G. Cofran of the Hartford, chairman; P. D. McGregor, Queen; S. Y. Tupper, Queen; H. G. Buswell, Home of New York; J. Montgomery Hare, Norwich Union; J. H. Lenehan, Phenix of Brooklyn; Fred. S. James, National of Hartford; C. F. Barry, Pennsylvania Fire; T. W. Eustis, Georgia Home; A. W. Perry, St. Paul F. and M., and W. J. Littlejohn, North British and Mercantile.

THE SOUTH.

—The Imperial Fire of Denver is entering Kentucky.

—The Eagle Fire Company has appointed Edgar Dunlop of Atlanta its general agent for Georgia.

—P. E. Burke has been elected secretary of the Hibernia of New Orleans, succeeding the late William Wood.

—The Southern National Fire of Austin, Tex., has entered Maryland and appointed Grant Stockham its attorney and agent.

—Henry Wells, a Washington (D. C.) insurance agent, died recently at Jamestown, R. I., where he had gone to recruit his health.

—C. J. Horner has been appointed special agent in the office of Trezevant & Cochran, general agents at Dallas, Tex. He will work in the Arkansas field.

—The Excelsior Fire of New York has been licensed to transact business in Maryland. Wm. H. Purcell of Baltimore has been appointed attorney and agent.

—A meeting of Southern managers was called for this week to arrange details for the organization of a branch to operate the General Adjustment Bureau in the South.

—The Commonwealth of Ottumwa, Ia., has entered Tennessee through the general agency of W. L. Nelson & Co., of Memphis. The company is also preparing to enter Mississippi.

—H. D. Richardson has resigned as special agent of the Hibernia of New Orleans, and opened a general agency at New Orleans. He has the Queen City Fire for Louisiana and Alabama.

—Charles T. Johnson, a member of the Louisville Board of Fire Underwriters, has commenced an injunction suit against the board, asking protection against its threat to expel or suspend him.

—Insurance Commissioner Love of Texas has ruled that no mutual insurance company could be permitted to do business in Texas unless it possessed bona fide cash assets to the value of $100,000 in excess of liabilities.

—Insurance Commissioner Folk of Tennessee has ruled that no municipality in that State has authority to impose privilege taxes on insurance agents. The laws of Tennessee provide for a State tax, which is in lieu of other taxes.

—G. B. Thornton, Jr., special agent for the Southern Fire of Lynchburg, Va., who has been on the sick list since January 1, has now entirely regained his health and has resumed his duties with the company in Virginia, North Carolina and South Carolina.

—James Gilmore Terry, one of the best-known insurance men in Mobile, Ala., died recently after an extended illness. He was stamping clerk for the South-Eastern Tariff Association at Mobile for twenty years, and retired on a pension a few years ago.

MISCELLANEOUS FIRE NEWS.

Fire Insurance in Great Britain.

[From Our Own Correspondent.]

Another amalgamation is announced, but this time it is one which is likely to find universal favor. This is the fusion of interests of the two fabled birds which have for so long occupied premises on either side of Lombard street—the "Phœnix" Fire Office and the "Pelican" (now the Pelican and British Empire) Life Office. Between these two companies there has for upward of a century existed a close compact and working arrangement. The Phœnix was established in 1782, and in 1785 its directors were occupied in considering whether it was "practical or expedient" for the company to embark in the business of life assurance. For reasons of "policy and law" this question was decided in the negative, and, as a consequence, it was resolved in 1797 to form a separate company to undertake this class of business. The office, accordingly, formed was the "Pelican," and it was arranged that seven directors thereof were to be directors of the Phœnix, and a like number were to be drawn from other financial and commercial quarters. The close relationship thus established has continued down to the present, and amalgamation will bring the two companies more into line with other first-class insurance concerns, as the combined office will transact business in fire, life, accident and contingency insurance departments. The combined company, which will possess funds and paid-up capital of nearly £7,000,000, with some £2,500,000 of uncalled capital, is to be known as the Phœnix Assurance Company, Limited. G. H. Ryan of the "Pelican" is to become general manager, and H. B. Guernsey of the "Phœnix" is to become fire manager of the combined company.

An important new "non-tariff" general insurance company has made its appearance in the form of the National General Insurance Company, Limited, the registered capital of which is £1,000,000 in £1 shares. This company is formed to take over and extend the business of the National Burglary and Fire Office, Limited—formerly the National Burglary Insurance Corporation, Limited, established in 1892. The new company possesses a strong board of directors, Sir Christopher Furness, M. P., of steamship fame, being chairman, and the general manager is F. W. Rutherford, one of the originators of the first system of burglary insurance in Great Britain, and the founder and successful chief throughout of the "National Burglary." A feature of the business is to be "non-tariff" fire and accident insurance—including workmen's compensation—and the new company, which starts with an annual premium income of £45,000, at once takes its place as one of the leading non-tariff institutions in this country.

Charters.

London, September 30.

Twenty-Two Years of Fire and Marine Insurance by States.

Below will be found a summary of the premiums received and the losses incurred by the fire and marine insurance companies transacting business in the respective States and in Canada, together with ratios of losses to premiums in the twenty-two-year period, 1885 to 1906, inclusive.

STATE.	Premiums Received.	Losses Incurred.	Ratio of Losses to Premiums.
	$	$	%
Alabama	31,119,741	16,417,796	52.7
Alaska (all business)	1,202,260	251,500	20.9
Arizona	4,178,003	2,354,737	56.3
Arkansas	22,109,867	12,635,860	56.9
California	170,580,155	242,854,701	142.6
Colorado	36,842,637	17,008,417	46.1
Connecticut	58,597,276	27,287,974	46.5
Dakota (four years)	4,621,443	1,913,424	41.4
Delaware	6,496,104	3,428,592	52.7
District of Columbia	9,866,876	3,625,730	36.7
Florida	16,603,528	12,112,776	72.9
Georgia	53,079,320	27,098,395	51.0
Hawaii (nine years)	2,543,811	875,686	34.4
Idaho	5,064,301	2,883,750	56.9
Illinois	301,693,552	151,600,240	50.2
Indiana	82,997,907	44,788,999	53.8
Indian Territory (all business)	6,007,012	2,961,302	49.3
Iowa	100,131,317	47,797,605	47.7
Kansas	52,190,482	27,502,642	52.6
Kentucky	62,058,847	37,060,814	59.7
Louisiana	71,310,711	35,732,057	50.1
Maine	41,967,241	25,048,986	59.6
Maryland	51,077,672	56,569,976	110.7
Massachusetts	271,334,121	130,829,590	48.2
Michigan	116,271,493	62.749,858	53.9
Minnesota	99,783,364	52,611,064	52.7
Mississippi	20,611,451	13,487,864	65.4
Missouri	117,123,600	66,336,059	56.6
Montana	15,764,336	6,714,663	42.6
Nebraska	44,752,440	19,914,411	44.4
Nevada	2,595,235	919,584	35.4
New Hampshire	26,081,129	13,046,151	50.0
New Jersey	99,193,456	54,159,734	54.5
New Mexico	4,318,778	2,049,554	47.4
New York	637,824,838	366,915,184	57.5
North Carolina	23,451,318	12,632,443	53.8
North Dakota (eighteen years)	13,492,813	8,273,260	61.3
Ohio	186,039,163	107,324,418	57.7
Oklahoma (sixteen years)	7,785,612	2,920,331	37.5
Oregon	30,484,037	11,278,646	36.9
Pennsylvania	283,447,413	159,996,227	56.4
Philippine Islands (five years)	42,700	18,754	43.9
Porto Rico (five years)	42,047	2,366	5.6
Rhode Island	81,555,299	21,491,967	26.3
South Carolina	16,209,422	9,201,534	56.8
South Dakota (eighteen years)	11,012,007	4,785,979	43.4
Tennessee	47,334,239	32,060,457	67.7
Texas	93,773,381	53,882,055	57.4
Utah	7,675,581	3,310,893	43.1
Vermont	16,100,704	10,640,460	65.8
Virginia	42,407,900	23,177,251	54.6
Washington	35,353,342	16,976,688	48.0
West Virginia	14,833,071	7,479,942	50.4
Wisconsin	100,610,071	52,731,748	52.4
Wyoming	3,099,155	1,139,747	36.7
Totals (United States)	3,873,151,533	2,255,010,758	58.2
Canada	195,117,337	120,148,170	61.5
Totals (United States and Canada)	4,068,268,870	2,375,158,928	58.3

Annual Statements of British Fire Insurance Companies.

The following table shows extracts from the home office statements for the year ending January 1, 1907, of the British fire insurance companies doing business in the United States, pounds ;erling being converted at $5 to the pound:

COMPANIES.	Capital Paid Up.	Fire Insurance Reserves.	Fire Premiums.	Fire Losses	Fire Insurance Commissions and Expenses.	Per Cent of Losses to Premiums.	Per Cent of Expenses to Premiums.	Per Cent of Losses and Expenses to Premiums.
	$	$	$	$	$	%	%	%
lliance	4,744,605	13,628,270	6,424,695	5,196,260	2,392,760	80.9	37.2	118.1
tlas	1,320,000	2,859,470	4,712,660	4,343,340	1,774,150	92.1	37.6	129.7
aledonian	537,500	758,695	2,199,800	3,542,810	791,400	161.0	35.9	196.9
;ommercial Union	1,250,000	11,244,075	11,805,260	9,305,160	4,125,580	78.8	34.9	113.7
,aw, Union and Crown	2,866,800	408,860	1,131,550	2,218,445	385,310	196.1	34.0	230.1
,iverpool and London and Globe	1,228,200	14,534,920	12,015,720	9,963,265	3,829,380	82.9	31.8	114.7
,ondon Assurance	2,241,375	3,777,000	3,198,235	6,175,235	1,113,805	193.0	34.8	227.8
,ondon and Lancashire	1,140,000	7,120,340	7,111,745	7,802,805	2,350,465	109.7	33.0	142.7
Jorth British and Mercantile	3,437,500	13,387,975	10,317,735	8,388,045	3,504,795	81.3	33.9	115.2
Jorthern Assurance	1,500,000	7,547,505	6,139,790	5,505,665	2,083,300	89.6	33.9	123.5
Jorwich Union	660,000	5,827,170	5,848,915	4,745,105	2,038,305	81.1	34.8	115.9
hœnix	1,344,400	5,722,135	7,666,580	6,854,225	2,773,435	89.4	36.1	125.5
,oyal	1,959,435	18,313,440	17,157,080	13,506,620	5,715,455	78.7	33.3	112.0
,oyal Exchange	3,446,100	2,269,920	3,369,045	4,799,940	1,238,730	142.4	36.7	179.1
cottish Union and National	1,500,000	2,882,360	3,183,855	2,654,910	1,098,840	83.3	34.5	117.8
tate	350,000	250,030	813,165	1,536,285	283,225	188.9	34.8	223.7
un	600,000	11,275,410	7,358,070	5,281,975	2,618,450	71.7	35.5	107.2

—Twenty-five shares of the New Hampshire Fire recently sold at auction at 00½.

—It is reported that the Commercial Union and the Palatine of London have lropped the earthquake clause from the policics they are issuing on the Pacific Coast.

—Insurance men in Manitoba are protesting against the manner in which it s charged a number of unlicensed companies are doing business in Winnipeg and elsewhere in the Province. They have brought the matter to the attention of Attorney-General Campbell, who promised to examine into the case.

—The firm of Esenhart & Maguire, chief Montreal agents of the Scottish Union and National and the German-American of New York, has been dissolved by the death of Mr. Maguire. The surviving member of the firm formed a partnership with Trevor A. Evans, and the new firm will be known as Esenhart & Evans.

—Secretary Herbert C. Fuller, of the Security of New Haven, died recently at his home in Watertown, Mass., after a protracted illness. Mr. Fuller was forty-seven years old, and it is reported that his breakdown followed the press of work at the time of the San Francisco conflagration. He had been with the Security for over twenty-five years.

—F. R. Babcock of Pittsburg and G. F. Craig of Philadelphia, both actively engaged in the lumber business, have been admitted to the Lumber Underwriters of New York, taking the places made vacant by the retirement of J. J. McKelvey and F. W. Mattocks. The Lumber Underwriters writes exclusively on lumber and lumber-working plants, and on October 1 had cash assets in excess of $180,000, besides the guarantees of its underwriters.

—The British Fire Prevention Committee has just issued "Red Books" numbers 121 and 123. Number 121 deals with "Fire Tests with Fire Extinguishers," and describes and illustrates tests of "Minimax" extinguishers, submitted for test by Messrs. "Minimax," Limited, London. Number 123 covers "Fire Tests with Hydrants," and presents details of the tests of a hydrant fitted with an "adaptor" for automatically putting the hydrant into action, manufactured by W. Featherstone & Co., Rochester. Copies of either report may be obtained through The Spectator Company, New York, at $1.25 each.

ACKNOWLEDGMENTS.

—The National Fraternal Congress Bulletin, No. 1.

—The Protective Life Assurance Society Journal, Vol. I., no. 1.

—Bound volumes LXXV. and LXXVI. of The Weekly Underwriter.

—A copy of the laws relating to insurance and insurance companies of Connecticut.

—Virginia Insurance Report, Part II., life and miscellaneous, covering business of 1906.

—"A Year of Progress," address delivered by Sylvester C. Dunham, president Travelers Insurance Company.

—Directory of Insurance Companies, Agents and Brokers Authorized to Transact Busines in Maine, as Recorded in the Insurance Department September 1, 1907.

—Thirty-sixth annual report of the Insurance Commissioner of Minnesota, giving the financial standing and business transacted by all fire, marine and hail insurance companies operating in that State, as of December 31, 1906.

Casualty, Surety and Miscellaneous

The Employers Liability Act of Great Britain.

Our London correspondent writes that the employers liability insurance companies act, 1907, has now been passed (under date the 28th of August, 1907), and is to come into operation on such day as may be specified in an order in council under the act. Its provisions are short, but important. The life insurance companies acts, 1870 to 1872, are made to apply to companies carrying on "the business of insuring employers against liability to pay compensation or damages to workmen in their employment," subject to such necessary modifications and adaptations as may be made therein by order in council.

The provisions do not apply to companies carrying on such business "as incidental only to the business of marine insurance by issuing marine policies, or policies in the form of marine policies covering such liability, as well as marine adventure or adventure analogous thereto;" nor to "mutual" associations of employers—approved by the Board of Trade. The provisions of the act relating to deposits are not to apply to any company which has commenced to carry on such business before the passing of the act. And members of Lloyds, or other approved association of underwriters, are to make a deposit of £2000, which deposit shall "so long as any liability under any policy issued by the underwriter remains unsatisfied be available solely to meet claims under such policies."

A somewhat novel form of insurance—in respect of "wagon owners' liability," has made its appearance as a result of a notification issued by the railway companies to private owners of railway wagons, holding owners or hirers of wagons liable for any damage to other vehicles, or to property belonging to or in charge of the railway company, or injury to any railway servant or other person, by reason of any accident resulting from the defective condition of any of their vehicles. This risk one of our largest offices is willing to cover at the nominal premium of one shilling per wagon, with spring buffers, and two shillings six pence per wagon with dead buffers (minimum premium twenty shillings per annum), with a limit in respect of any one accident of £10,000, or £20,000 in any one year.

The International Insurance Encyclopedia.

The preliminary announcement of The International Insurance Encyclopedia, to be published by the Singer Company of New York, is comprehensive enough to show the broad scope of the work. It is gratifying to note that the organization of the scheme is complete and that the preliminary work is finished. Consequently progress will now be rapid, and there is assurance of completing the work within a reasonable period of time. Perhaps the most interesting feature of the announcement is the list giving the names of over five hundred insurance experts, representing twenty-two different countries, who will collaborate in summing up in the briefest form possible the facts pertaining to the subject. The leading men of the world in all branches of insurance are included in this list, and whatever they may contribute will be recognized as authoritative. A glance at the partial table of contents will show how thoroughly and systematically the preliminary work has been performed and is an earnest of the reliability of the completed work.

BOARD OF CASUALTY AND SURETY UNDERWRITERS.

Annual Meeting at Hotel Astor, New York—Able Address by President Dunham—Federal Control Urged—Hearty Co-operation Among Members.

The fourth annual meeting of the Board of Casualty and Surety Underwriters was held ou Tuesday, the 15th inst., at the Hotel Astor, New York, with President S. C. Dunham in the chair. A good attendance of representatives of the membership was on hand, the roll call showing more than tweuty companies represented as follows: American Bonding, H. H. Stryker; Fidelity and Casualty, Geo. F. Seward; Fidelity and Deposit, J. J. Whelan; Frankfort, W. E. Lance; General Accideut of Philadelphia, Franklin J. Moore; General Accident of Perth, Geo. B. Hope; Great Eastern, L. H. Fibel; Hartford Steam Boiler, F. B. Allen; Lloyds Plate Glass, Wm. T. Woods; Maryland Casualty, John T. Stone; National Surety, David W. Armstrong, Jr.; New Amsterdam, W. F. Moore; New Jersey Plate Glass, S. C. Hoagland; Pennsylvania Casualty, Thos. E. Jones and H. N. Kingsbury; Philadelphia Casualty, R. S. Keelor; Travelers, S. C. Dunham, Wm. Bro Smith and John B. Lunger; United States Casualty, Edson S. Lott; United Surety, H. G. Penniman, and Prussian Life, W. C. Scheide. A number of letters were read from companies unable to be represented, expressing regrets and assuring their co-operation.

President Dunham made an interesting and instructive address, during which he referred to the deplorable tendency to dissimilar law making, the example set by New York in the Armstrong laws having set back uniformity of legislation. He discussed at length the subject of national control of insurance and other corporations doing an Inter-State business, arguing that conditions have changed since the case of Paul vs. Virginia and that the judiciary would consider the intent of Congress in any new legislation on the subject or a constitutional amendment. He recommended that a paid secretary be supplied to the executive committee, and also that a special committee be appointed to consider the question of Federal corporation control.

The report of the executive committee was read by Chairman Geo. F. Seward, and showed the tremendous amount of work accomplished in the past year. For instance, over 700 bills introduced in State legislatures had been examined and reports made thereon to the different companies. Of these, 177 affected casualty and surety companies, 62 of which became laws. A number of recommendations were made, among them being one that a committee be appointed to attend the annual sessions of the National Convention of Insurance Commissioners, and another that the committee be authorized to expend such sums as it may deem necessary in clerical help and printing of bulletins of information for the companies.

Recommendations made by the president and executive committee were then taken up and authorization was giveu to appoint a committee to attend the Commissioners' convention, the same committee to consider the question of Federal control; the executive committee received power to expend such sums as it deemed necessary; ex-presidents were made ex-officio members of the executive committee, and the annual dues were increased to $20 per company.

Reports of committees on various topics were next called for, most of them being a mere bringing up to date of topics discussed last year.

The resignation of the United States Fidelity and Guaranty of Baltimore was accepted, and the applications for membership of the Norwich and London Accident, and the Title Guaranty and Surety Company of Scranton were favorably acted upon.

A report from the nominating committee was unanimously accepted, re-electing the entire list of officers and executive committee as follows: Sylvester C. Dunham, president; Francis B. Allen, vice-president; David W. Armstrong, Jr., secretary; W. T. Woods, treasurer. Executive Committee—Geo. F. Seward, chairman; Wm. F. Moore, secretary; H. G. B. Alexander, Thomas A. Whelan and Edson S. Lott, with Messrs. Dunham, Armstrong and Stone, ex-officio members.

In the evening a banquet was held, at which were present a number of guests, including four Insurance Commissioners, viz., E. E. Rittenhouse of Colorado, B. F. Crouse of Maryland, J. J. Hartigan of Minnesota, and Jos. Button of Virginia. President Dunham forced Edson S. Lott to take the position of toastmaster, and brief addresses were made by the four Commissioners mentioned above, John T. Stone, R. B. Joyce, J. B. Lunger, F. J. Moore, Wm. Bro Smith, Max Cohen and S. C. Dunham.

—The Illinois Surety has appointed the Gorham-Braden Company of Minneapolis, State agents for Minnesota and Northern Wisconsin; James Ryan & Son Company of Buffalo, agents for Western New York, and Joseph A. Wenneman, general agent at Cleveland, Ohio.

Liability Rates—Old and New.

It must be understood that the new rates here referred to are those which were published with the authority of the liability companies, members of the Conference Bureau, and which were to be put into effect January 1, 1905. How far they were adopted must remain for each individual company to answer.

We give here a review of the rates representing each schedule, together with the new and old rates in New York, or in the State where the business is largely represented. The contractors' schedule, one of the most important, appears to be identical and is the only one that shows no change. Either the experience must have remained unchanged, a conditiou hardly possible of belief, or the conference must, through pressure of time, have neglected to reconsider the schedule and adopted the old rates as representing the present experience.

	Old.	New.
Bakers Schedule—E. L. Rate Net in New York State—		
Bakers	.37	.38
Chemical Schedule—		
Acid manufacturers	.70	.81
Coach and Carriage Schedule—		
Railroad car builders	.80	1.35
Coal Mine Schedule—In Illinois—		
Anthracite	1.50	1.93
Contractors' Schedule—In New York—		
Asphalt layers	1.00	.97
Boat builders (iron, steel or wood)	2.00	2.00
Bridge building	5.72½	5.72½
Canal excavation	5.72½	5.72½
Carpenters	2.00	2.00
Masonry work	2.70	2.70
Steam railroad construction (earth and rock work)	4.00	4.00
Electric Schedule—Net Rate in New York—		
Under 550 volts	1.50	1.62
Over 550 volts	2.50	2.92
Leather and Shoe—Net Rate in Massachusetts—		
Counter, heel and sole	.70	.72½
Boot and shoe	.20	.25
Lumber Dealers—Net Rate in Minnesota and Wisconsin—		
Box manufacturers (no machinery)	.50	.57
Lath manufacturers	.80	1.20
Saw mills	1.25	2.17
Metal Schedule—Net Rate in New York—		
Car wheel manufacturers	.74	.65
Machine shops	.60	.50
Machine shops with foundries	.60	.65
Lock manufacturers	.40	.50
Sewing machine manufacturers	.52	.31½
Milling Schedule—Net Rate in Minnesota—		
Corn mills	.48	.87
Metal Mining—Net Rate in Michigan—		
Copper	1.00	1.08
Missouri—		
Lead	3.50	4.80
Miscellaneous—Net Rate in New York—		
Agricultural implements	.40	.65
Asphalt works	1.00	.95
Breweries	.40	.45
Canning works	.40	.65
Cleaners and dyers	.30	.15
Coal merchants	1.25	1.62
Cordage manufacturers	1.00	1.25
Gas works	.60	.81
Ice dealers	.60	.72
Logging (railroad)	3.00	3.24
Shoddy manufacturers	1.25	1.12
Street railroads	.80	1.04
Sugar refiners	.65	.65
Oil Schedule—Net Rate in Mississippi—		
Cotton seed oil (refining only)	.40	.52
Oil manufacturers	.60	.52
Ore Reduction—Net Rate in Colorado—		
Smelters	.60	.52
Paper Schedule—Net Rate in Maine—		
Paper bag	.25	.72½
Cardboard manufacturers	.50	.72½
Paper manufacturers	.50	.72½
Pulp mills	.60	1.07½
Pottery—Net Rate in New York—		
Brick manufacturers	.40	.58½
Pottery manufacturers	.25	.27
Plate glass	.40	.27
Stone—		
Cement manufacturers	.40	.81
Quarries	1.70	2.43
Stone yard	.40	.81
Textile—Net Rate in Massachusetts—		
Cotton mills	.19	.40
Knitting mills	.15	.30
Silk	.11	.15
Wood—Net Rate in New York—		
Barrel manufacturers	.40	.87
Chair manufacturers	.26	.38
Last manufacturers	.33	.51

Does it seem possible that the previous experience, upon which the old rates were based, could, by the addition of experience for two or three more years, have been so seriously astray as to necessitate the doubling of rates for the milling schedule, the paper schedule and part of the textile schedule? The adoption of the amended rate for textiles in Massachusetts would have amounted, in actual practice, to retiring from that line of liability insurance and giving a free field to the mutual company.

A review of these rates will be sufficient to account for the want of confidence by many underwriters, including even some of the companies represented at the meetings when the rates were compiled, and the neglect or refusal of most of the companies to accept the manual as a

ue indication of the experience. This may be due to an attempt on e part of some masterful mind in the minority to insist upon rates not greed to by the majority. Many underwriters have strong convictions, ised upon their own experience, which reject as impossible or unstifiable many of the new rates; some are clearly inconsistent with the tes in the old manual.

Occasional efforts have been made to bring local companies into agreeent upon rates, and a recent attempt in this direction came to nothing, r the reason that one prominent manager, having a large business at tes above the average, refused to accept the new manual as reprentative of current rates, and naturally could not agree to be govned by the old rates which the new manual superseded. Thus, in the bsence of any common basis, it was impossible to agree.

Two or three companies are doing business in Texas, and incidentally not appear to be making any money there, but this is not strange. he conference claims that the State is entitled to no differential, and t the companies are writing at discounts varying from twenty to fifty r cent of the new manual rates.

We would like to see the conference succeed, and to have the support all the companies, but the weakness must be remedied and the Buau made a center for the accumulation of reliable experience so that ose that go wrong may do so knowingly and wilfully. A slump in the ock market on December 31, coupled with a shrinkage in the wages id for labor, may come any year, and will test the financial condition d underwriting wisdom of companies doing a liability business.

An Unauthorized Sick and Accident Association.

The American Sick and Accident Association of Dover, Del., has esblished itself at Buffalo, N. Y., and apparently made that city its eadquarters. W. E. Broad is its supreme president, and J. S. Weir its ipreme secretary, the latter seemingly conducting the business. This ncern is not licensed to do business in New York State, and is doing in violation of law. In reply to our inquiry regarding the associaon, Insurance Commissioner Marshall of Delaware advises us as folws: "Three Buffalo men are incorporators. N. B. Magee of Dover, el., is the attorney. The company is not authorized in Delaware, alough incorporated in Delaware by the Secretary of State." Evidently e association is one of those underground concerns that carefully voids the insurance officials of the State that grants it a charter, and aking up its residence in another State, attempts to do business on e strength of such charter, also avoiding the insurance authorities of e State wherein it makes its headquarters. This has been the game layed by many "undergrounders" in the past, but court rulings have ecently held them amenable to the insurance laws of the State wherein hey take up their abode.

The American Sick and Accident Association has not complied with he laws of the State of New York, and has no right to do business in he State as the following correspondence shows:

Ion. Otto Kelsey, Superintendent of Insurance:

Dear Sir:—Will you kindly advise us whether the American Sick and Acident Association of Dover, Del., which has its head office at Buffalo, N. Y., is dmitted to do business in the State of New York. W. E. Broad is supreme resident, and J. S. Weir is supreme secretary, having their offices at Buffalo.

Hon. George W. Marshall, Insurance Commissioner of Delaware, advises us s follows: "Three Buffalo men are incorporators; N. B. Magee of Dover, Del., s the attorney. The company is not authorized in Delaware, although incororated in Delaware by the Secretary of State."

Very truly yours,

THE SPECTATOR COMPANY.

Albany, N. Y., October 7, 1907.

STATE OF NEW YORK,
INSURANCE DEPARTMENT,
ALBANY, October 8, 1907.

To THE EDITOR OF THE SPECTATOR:

Answering your letter dated the seventh instant, the American Sick and Acident Association of Dover, Del., which has an office at Buffalo, N. Y., has no uthority to transact the business of insurance in this State, and we have notied Mr. J. S. Weir, the secretary who is in charge of the Buffalo office, that ve consider his maintaining such office a violation of the provision of our inurance law, and we are now in correspondence with him and his counsel. I vould state for your information also that we have brought this matter to the ttention of the district attorney of Erie county.

Yours respectfully,
(Signed) OTTO KELSEY,
Superintendent.

The selection of Buffalo as headquarters for this concern, if it can aintain a foothold, would give it easy access to New York State, Pennylvania and New Jersey. The insurance officials of other States should eep a watch on its operations and nip them in the bud, as Superinendent Kelsey proposes to do. The association must be made to comly with the laws or get out of business.

Casualty Notes.

—The Ætna Accident and Liability has been licensed in Indiana.

—The Cincinnati Plate Glass Club has been organized in Cincinnati.

—The American Fidelity has issued new accident and liability policies.

—The debut of the New York Surety Company has been postponed until January 1.

—The United Surety is issuing an accident policy, which becomes paid-up after twenty years.

—The Employers Liability Corporation has issued a new death and dismemberment accumulative accident policy.

—A reliable casualty company advertises elsewhere for a young man with experience in liability adjusting and investigations.

—The Ætna has captured the liability insurance of the McKinley Interurban system in Illinois, through the Marsh F. McLennan Compauy. The annual premium is about $20,000.

—Jacob Leitner has been appointed branch manager for upper Manhattan and the Bronx for the Casualty Company of America. He will handle liability, personal accident, plate glass and steam boiler lines.

Surety Notes.

—The Western Title Insurance and Trust Company has been organized at Grand Forks, N. D., with $100,000 to do a fidelity, title and general trust business.

—Those familiar with conditions in Des Moines say that it is thin ice for those companies writing contractors' bonds. The ice is expected to break next April when the new city government takes the reins.

—Norman R. Moray, formerly manager of the New York city department of the National Surety, is now manager of the burglary department of the American Bonding for the Metropolitan district, with headquarters at 32 Nassau street.

—The Lion Bonding and Surety Company has been organized at Omaha with a paid-in capital stock of $100,000. The company will have offices in the New York Life building, writing general surety, fidelity, burglary and plate glass lines. The following officers were elected: Henry Haubens, president; John C. Root, first vice-president; John W. McDonald, second vice-president; L. P. Larson of the Fremont National Bank, third vice-president; Henry Rohlff, treasurer; Edward L. Culver, secretary.

TOO LATE FOR CLASSIFICATION.

The Columbian National Life Insurance Company.

At the last regular meeting of the board of directors of the Columbian National Life Insurance Company of Boston it was decided, in accordance with the requirements of the revised statutes, to go upon a non-participating basis from January 1 next, and to introduce a disability clause into its contracts. The Columbian will thus be the only Massachusetts "non-participating" company.

At this meeting Colonel Percy Parker of Lowell tendered his resignation as president, on account of his business interests in that city, and was succeeded by Vice-President Arthur E. Childs. Mr. Childs is a leading Boston capitalist, and for the past two or three years has been prominent in the administration of the company. Colonel Parker accepted the presidency of the Columbian on its organization over five years ago, with the understanding that its founder, the late William Butler Woodbridge, should later assume the office; his untimely death making a change inexpedient until the present time. Colonel Parker himself nominated his successor, whose interest in the company he was instrumental in securing, and will continue to serve as director and member of committees.

William A. Scott Dead.

William A. Scott of the New York insurance firm of Scott, Alexander & Talbot, died on Tuesday morning last of apoplexy, at his late residence, 145 West Seventy-ninth street. He was seventy-one years old, and had been in poor health for some months. Mr. Scott was highly esteemed among his friends and business associates, to whom his death is a severe loss.

Vanderpoel Resigns Vice-Presidency of Eagle Fire.

Isaac Vanderpoel, vice-president of the Eagle Fire Company, has resigned as an officer and director of that company. He has been ill for several months past, and his physician had insisted that he should be free from all business responsibilities. Mr. Vanderpoel's friends in the fire insurance world will be sorry to learn of his temporary retirement from business.

—An examination of the American Surety Company is being made by the Insurance Departments of Virginia, Maryland, Colorado and Minnesota.

—The Philadelphia Casualty announces the opening of its city department, on the ground floor of 138 South Fourth street, Philadelphia, under the personal supervision of F. G. Noxsel, assistant secretary of the company. The following departments will be located at the above address, and the managers named below will accept business in their respective lines: Accident and health department, George A. Mills; liability department, C. H. Gillette and C. E. Stevens; plate glass department, W. R. Percy. Patrons of the Philadelphia Casualty may be assured of prompt and efficient service in the handling of business in the above lines.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, $7; book only, $5; monthly supplement only, $2 per annum.

American Mutual Fire Insurance Company, Des Moines, Iowa.

Judge W. H. McHenry of Des Moines has issued an order for the payment of a ten per cent dividend by Receiver W. C. Strock, on approved claims against the above defunct company.

Calumet Insurance Company, Chicago, Ill.

As of July 31, 1907, a recent examination showed that this company possessed $558,568 of assets, a capital of $200,000, and a net surplus of $183,200. This denotes satisfactory progress since the last previous statement.

Freeholders Insurance Company, Topeka, Kan.

An examination of this company, made by the Kansas Insurance Department, shows that on June 30, 1907, it possessed gross assets, $236,200; outstanding capital, $19,100; total resources, $255,310. Since the above date $10,635 of the outstanding capital has been paid in, leaving $8475 due December 1, as per terms of subscription. The entire capital stock of $200,000 will be paid in before the end of the current year.

Home Insurance, Banking and Trust Company, Galveston, Tex.

It is reported that Luther H. Holton of New York has made application for a receiver for the above-named company, on the ground that he is a creditor of the company to the amount of $983 as assignee of an unpaid loss on property of the Pittsburg Plate Glass Company at Cleveland, Ohio.

Manufacturers and Traders, Minneapolis, Minn.

The Minnesota Insurance Department has completed an examination of the above-named company. The report states that the Manufacturers and Traders was incorporated September 6, 1905, and that from that time until August 31, 1907, it had issued eight policies for a total amount of $18,600. The receipts for 1907 up to August 31 for premiums and assessments amounted to $327, while the expenditures aggregated $3314. On December 31, 1906, the company had policies in force amounting to $1,270,090, and during the period covered by the examination $18,600 of new business was written, while the cancellations, etc., amounted to $64,913, leaving the amount in force August 31, 1907, $1,233,777, or about $46,000 less than at the beginning of 1907. The total receipts during 1907 to August 31, including the receipts from the sale of its guaranty capital, which were $4710, was $7213, while the disbursements were $3314, leaving a balance of $3899 on hand. The company had unpaid losses of $9 and owes C. B. Shove, its secretary, $772, a balance of the amount advanced by him, and has a reinsurance reserve of $1452, leaving a surplus of $1665.

Mecca Fire Insurance Company, Waco, Tex.

The statement covering the first six months of 1907 of this mutual company shows $27,869 of disbursements for fire losses and return premiums, with a balance of $17,770 represented by "cash items, home office, in hands of agents, banks and in State treasury." Since its organization in 1902 it is stated that its loss ratio has been but 23.2 per cent. C. F. Vivion is president, Chas. A. Weathered is secretary-treasurer, and John W. Fullen is general manager of this company. The Insurance Commissioner of Texas has advised us that this company was examined in December last, and was found to be in a solvent condition and in position to take care of its policyholders. The company formerly accepted some surplus line risks through a Chicago firm, but that connection was terminated, and the company now confines its business to Texas. We are advised that it insures all surplus lines with the Commercial Fire of Houston, the Austin of Dallas and the Commonwealth of Dallas.

Merchants Fire Insurance Company, Greensboro, N. C.

According to an announcement from J. Frank Flowers, manager of the Scottish Fire of Fayetteville, N. C., the latter company has made arrangements for consolidation with the Merchants Fire.

Merchants Fire Insurance Company, Little Rock, Ark.

This company has reinsured all of its outstanding risks in the Illinois National Fire of Springfield. Johnson & Cotnam of Little Rock, who were general agents of the Merchants Fire, will act in the same capacity for the Illinois National, planting the latter throughout Arkansas in the agencies with which they have connections.

Merchants Mutual Fire Insurance Company, Topeka, Kan.

The merchants and propertyowners of Topeka have organized the above-named company.

New Jersey Fire Insurance Company, Camden, N. J.

The financial condition of this company, which recently discontinued business, was reported by the examiner to Insurance Commissioner Watkins of New Jersey as follows: Assets, July 31, 1907, $463,222; total liabilities except capital, $335,961; capital stock paid in, $200,000; impairment, $72,739. On September 26 the stockholders of the New Jersey Fire voted to reduce the company's capital stock from $200,000 to $100,000.

Pacific Fire and Marine Insurance Company, Seattle, Wash.

Preliminary steps toward the incorporation of this company have been taken. It is proposed to have a capital of $200,000, and its officers will be as follows: President, Chauncey L. Baxter; secretary and general manager, Lewis E. Larsen; treasurer, Carl M. Johanson.

Phoenix Fire Insurance Company, Phoenix, Ariz.

Articles of incorporation of this company were filed in the office of the Territorial Auditor of Arizona on July 26, 1907, the principal places of business being stated as Phœnix, Ariz., and Chicago, Ill. The incorporators were H. Thomas, C. E. Prentiss and C. A. Wiley, whose acknowledgments were taken in Chicago. P. H. Hayes of Phœnix is the statutory agent. On September 7, 1907, a certificate was filed in the Territorial Auditor's office relating in part that "We, H. Thomas, president and director, and C. E. Prentiss, vice-president and director, and C. A. Wiley, secretary and treasurer and director, all the directors, respectively, of the Phœnix Fire Insurance Company of Phœnix, Ariz., within thirty days after the payment of twenty-five per cent of the capital stock, and also within thirty days after the payment of the last instalment or assessment of capital stock, limited and fixed at two hundred thousand dollars ($200,000), and also the further sum of fifty thousand dollars ($50,000) surplus, do hereby certify that said amounts have been fully paid into the treasury of said company * * *." A printed statement bearing date of September 1, 1907, shows a capital of $200,000 and a surplus of $50,175, with assets of $250,175, comprising stocks, $114,000; bonds, $60,175; real estate, $56,000; first mortgage on real estate, $20,000. Details as to these assets have not yet been received. The company states that it is organized and licensed under the laws of Arizona, and writes fire, lightning and tornado insurance. In addition to its regular agency business in its home territory, it will accept surplus lines elsewhere at full rates through licensed agents and brokers.

Scottish Fire Insurance Company, Fayetteville, N. C.

This company has increased its capital stock from $50,000 to $100,000, with a surplus of $25,000, and it is stated will combine with the recently organized Merchants Fire Insurance Company.

Seaboard Fire and Marine Insurance Company, Galveston, Tex.

The statement of this company as of September 30, 1907, shows admitted assets of $386,096; reserve for losses (unadjusted), $2856; a paid-up capital of $250,000 and a net cash surplus of $64,350. The net premiums for the nine months of 1907 amounted to $105,245, and the ratio of losses incurred and losses paid to premiums received were 23.3 per cent and 24.1 per cent, respectively.

Security Fire Insurance Company, Baltimore, Md.

In response to requests for information regarding the Security Fire of Baltimore, Insurance Commissioner E. M. Wolf of California has made public a letter from Geo. R. Willis, receiver of the company, which states that exceptions will be filed to claims aggregating $600,000 resulting from the San Francisco fire, on the ground that all losses were due primarily to earthquake.

Walla Walla Fire Insurance Company, Walla Walla, Wash.

An examination of this company as of July 31, 1907, conducted by an examiner for the Wisconsin Insurance Department, shows admitted assets amounting to $272,770 (after deducting $126,485 of stockholders' notes), a capital of $200,000 and a net surplus of $48,094. The examiner speaks favorably of the company, saying that it "is in good financial standing; that its assets are invested in good securities and it is following a conservative policy, and I believe it would be safe to admit this company to do business in the State of Wisconsin." It is understood that the stockholders' notes are being paid off.

Western National Insurance Company, Chickasha, Okla.

This company, which was recently licensed to transact a general fire insurance business in Oklahoma, with a paid-up capital of $25,000, reports the following assets: Cash deposited with Bankers Trust Company, Kansas City, Mo., $17,000; cash deposited with Planters and Mechanics Bank, Oklahoma City, $2000; sixty shares of First National Bank of Manchester, Mo., stock, par value $100 each; book value, $112; market value, $100, $6000. Its officers are: W. T. Corder, president; James H. Smith, vice-president; Guy Sackett, secretary-treasurer; E. J. Archinard, assistant secretary.

THE SPECTATOR:

THE SPECTATOR, *established in 1868, is a weekly journal devoted to promoting the best interests of trustworthy insurance of all kinds. The subscription price for the United States, Canada and Mexico is Four Dollars per annum, postage prepaid. To all foreign countries in the Postal Union, Five Dollars per annum.*

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ANTI-COMPACT legislation is one of the most annoying species with which the fire underwriter has to deal; indeed, it is of such importance that a prominent organization has felt it necessary to appoint a special committee to examine into the subject and suggest a way of meeting attacks of that character. In Missouri efforts are making to convict fire insurance companies of violations of the anti-trust law on the ground that the purchase of advisory rates from independent raters constitutes such a violation. A somewhat similar situation also exists in Kansas, and it is anticipated that anti-compact bills will be introduced at the next sessions of the legislatures of certain important States. How do the intelligent legislators think that rates should be made? Perhaps they think that the fixing of rates should be left to the local agent. But suppose that was done; if the agent represented two or more fire insurance companies, whose policies were to be issued upon the same risk, he would probably be obliged to write the policies at different rates, covering identical hazards, or be subject to punishment for being in collusion with himself if both were written at the same rate. If that same agent represents a life insurance company, however, he is liable to punishment if he sells two policies to men of the same age, at different rates. In one case he is punished for charging the same rate for the same risk, and in the other he is punished if he does not do so. Frank Lock, in the course of a recent address before fire insurance agents, advised them, when an anti-compact bill was introduced, to go to their friend, the Senator, and say to him:

> This bill simply means that companies shall be prevented from working so as to yield equal justice to all. Senator, you have laws to compel life insurance companies to charge the same premiums under heavy penalty if they treat one man better than another; yet with this anti-compact law you are seeking to compel fire companies to grope blindly in the dark, working inequality between man and man, with the effect that the man of wealth, influence and power will be able to get what he wants, but the man lacking these advantages will have to suffer.

If the agents are not to make rates, then each company must employ several men in each anti-compact State for that purpose. This would not only involve much expense—more than the entire premium receipts in a State for some companies—but would necessitate the loss of considerable time, during which the companies would not care to write risks which had not been inspected by their respective raters. Moreover, in the cases of manufacturing and mercantile establishments requiring much insurance—possibly a hundred or more policies—a complete inspection of the plant by a rater for each company would undoubtedly prove a vast annoyance to the owner and his employees, and the insured would not consider it fair to pay fifty different rates for exactly the same indemnity. In brief, the whole machinery for conducting business, in case both co-operation and the use of independent raters' advisory rates is forbidden, would be so cumbersome and expensive that rates would probably have to be doubled to cover the additional cost to the companies. Finally, anti-compact laws gain nothing for the insured, for a comparison of rates between those of anti-compact and other States will show that the people of the latter fare as well as do those in which restrictive laws have been enacted.

IT is a foregone conclusion that the volume of life insurance that has been and will be written this year will exceed that written last year by many millions of dollars. Some of the companies have already passed their records of last year, with two months and a half yet left for work. The popular prejudice, that was excited against life insurance a couple of years ago, has given place to a more sensible comprehension of the subject, and to a general realization of the fact that the companies that so long enjoyed public confidence and are sound financially, and in every other way, are the dispensers of inestimable benefits and worthy custodians of trust funds designed for such purpose. Agents find less difficulty in placing policies, and personal effort, continuous and persistent, is bringing them substantial rewards. At the time of the general depression in life insurance matters, many agents were forced to seek other employment, but these are gradually coming back to the fold, glad to resume an occupation that is not only congenial, but remunerative. They take up the work again with renewed energy and unlimited confidence, determined to equal or surpass their previous endeavors in the placing of insurance. Their example is well worthy of imitation by those who are still among the "outs," or may be hesitating between their old and their present employment. The experience of the workers in the field is most promising for the future, and full of encouragement to those who desire to enlist in the service of the companies.

A VERY misleading table has been going the rounds among some of the insurance journals, one column in which purports to show the surplus earned or lost since the organization of the respective fidelity and surety companies whose figures are exhibited. This seems to have been arrived at by the simple plan of taking the difference between the surplus paid in and the surplus on December 31, 1906. There seems to have been no account taken of the fact that some of the companies have paid stockholders millions of dollars of dividends, which presumably were drawn from surplus earnings. Thus, in one instance, the net surplus, December 31, 1906, is given as $2,482,408; the surplus paid in as $1,000,-

000 and the surplus earned since organization as the difference, namely, $1,482,408. It happens that the company in question had paid $3,150,000 of dividends, so that the actual amount of surplus earned was $4,632,408, instead of $1,482,408, as stated. Similarly, another company is charged with having lost $134,654 of surplus since organization, but by giving due consideration to the fact that it has paid $155,625 for dividends, it appears that it has earned $20,971 of surplus instead of having lost $134,654. In another case, a company having $1,765,095 of surplus at the end of 1906 is shown as having earned $2,515,095 of surplus since organization, the company having been credited with $750,000 of stock dividends declared, but no attention having been paid to $1,053,750 of cash dividends paid, which bring up the surplus earnings to $3,568,845. One more illustration will serve to further emphasize the utter unreliability of the table, so far as the surplus earnings shown are concerned. A company having $2,804,913 of net surplus on December 31, 1906, is stated to have had $1,900,000 of surplus paid in, and the difference, $904,913, is given as the surplus earned. To this latter sum should be added $2,374,896 paid for dividends, which would yield $3,279,809 as the surplus earnings. Those engaged in the compilation of statistics for publication should use great care to avoid working an injustice to the companies whose figures are presented.

THE Public Service Commission is doing good work in suggesting improvements in our street railways, exposing the fraud and graft that characterized some of their financial schemes and laying the foundation for civil and criminal suits against those who participated in the swindling transactions. Incidentally, they are showing the public the almost incredible number of accidents that takes place in the street cars by reason of the neglect and inefficiency of the systems and their employees. A report just given out by the Commission shows that in the month of August there were 5500 accidents, of which 42 were fatal; in September there were 4906 accidents and 56 persons killed. All these occurred within the limits of Greater New York. This is a terrible showing, and if the rate is maintained throughout the year there will be few persons left who are not maimed or crippled. What will be the grand total when the new tunnels and proposed new lines of street cars are completed no one can foretell. These figures lend additional emphasis to the necessity of accident insurance which, while it cannot prevent the slaughter, can at least indemnify the victims who escape with their lives and give money compensation to the dependents of those who are killed.

IF the special committee of State Insurance Commissioners appointed to consider the question of taxation shall go about its work with the intention of endeavoring to render more uniform, and perhaps to lighten, the burden of taxation imposed upon insurance companies by the various States, they will have the good wishes of many an underwriter. With every State and Territory, and with hundreds of counties, cities and towns in addition, levying each its own quota of tax in its own individual way, upon the insurance companies and their agents, it has come to be a most perplexing problem for a company to know whether or not it is complying with all of such requirements. If the tax laws of the various States could be so harmonized that the same system of calculation and payment would obtain throughout the country, one source of much useless trouble would be removed. While the committee is dealing with the subject, it would be well for it to consider the justice of adopting for recommendation a basis for the imposition of taxes which shall recognize the fact that the insurance companies do not always reap a profit from their operations. It is customary to allow the private citizen to deduct his debts from his assets, and to tax him only on his net worth. Similarly, it should be the custom to tax insurance companies only upon property owned, and, as a franchise tax, upon the excess of their premiums over their disbursements for losses and expenses, or upon their actual underwriting profits. Under the usual plan now in vogue, a company may be heavily taxed for the privilege of conducting an unprofitable business, the people of a given State not only getting perhaps many times the premiums collected in that State, but also demanding a large sum for the license to operate therein. This is obviously unfair, and should be remedied.

COMBINED classification of fire risks and losses, as a means to the closer ascertainment of the actual cost of fire insurance for different general classes of risks, seems to be in the air. The Western Union has already undertaken such a study of the business in connection with certain classes of risks in a limited number of States. The Insurance Commissioner of Minnesota desired to secure data along the same line, but as to the total business of each company, but was restrained by the adverse decision of the Attorney-General. Since then, in the course of public addresses, the same subject has been touched upon by representatives of two other State Insurance Departments. It might be better for the companies to agree upon a good classification of risks and all keep their resords according to the same system, reporting them in some private manner to a central bureau, and all profiting by the combined experience, than to await the time when legislation will force them to undertake the work, perhaps by a difficult and obnoxious system. The results of the combined experience of all the companies should be helpful to each one, and it is better to undertake the compilation and combination voluntarily, so that the experience of individual companies may be guarded, than to be obliged to report it to numerous State officials.

ACCIDENT companies will soon be called upon to make rates for a new class of risks, if what reports say of airship transportation are to be accepted as true. Experiments with various forms of flying machines have been going on for many years, with the result that a machine has been invented that will, it is claimed, carry heavy burdens in the air and is capable of being steered in any direction, even against the wind. Various competitions for valuable prizes have given a decided impetus to inventors in this line, and the best machines for flying that have yet been devised are to be exhibited in St. Louis during the present week. A competitive tournament has been arranged for, in which Ameri-

can and foreign inventors will compete. The test is to be for distance covered, for time of flight and for ease of steering. In the recent tournament in France an American carried off the honors, flying further and remaining longer in the air than any of his dozen or more competitors. Ballooning is now spoken of as a "sport" that is particularly tempting and exhilarating. The prediction is made that it will be but a short time before the air will be as full of flying machines as the streets now are of automobiles. As automobiles have added many perils to life and limb, and are dangerous alike to those who use them and those who do not, so airships will bring in their trail a new class of accidents, not only to the highflyers themselves, but to the innocent onlookers, who are content to remain on *terra firma*. A collision of airships is likely to dump a basketful of balloonatics without notice upon the heads of people below, to their serious injury; or smash personal and real estate, to its great damage. Such accidents must be provided for, and the casualty companies are expected to make a note of this increase in the number of risks they are to insure against in the future.

It has long been the opinion of many thoughtful fire underwriters that there should be no such thing as so-called "preferred business." The theory is that each general class of business should support itself and yield a reasonable profit to the insurer; in other words, that "every tub should stand on its own bottom." In practice, however, there have developed certain classes of business which can be relied upon to almost certainly produce a profit, and the tendency has been to load these classes unduly, making them bear burdens which are properly applicable to other classes which are not self-supporting. In turn, this practice has led to abuses, the strong desire to secure such "preferred" risks leading to fierce competition, entailing high commissions, rate-cutting and other evils. Thus it appears that injustice is done to the owners of "preferred" classes of property, where favorable conditions exist, while in some sections the struggle to write such risks leads to demoralization in rates and heavy losses to agents and companies. Of late, several public speakers have inveighed bitterly against "preferred business," one styling it a "sink of iniquity." The nearer premium rates approach a just proportion based upon the relative liability to fire damage of the respective classes of risks rated, the better it will be for all concerned—except the owners of risks now carried by the insurance companies at a positive loss. At any rate, there is small justification for rates made upon the principle of "loading them for all the traffic will bear," and those responsible for the fixing and promulgation of rates should constantly endeavor to work out just relations between the rates on various classes of risks, without discriminating in favor of, nor against, any particular class.

The New York Board of Trade and Transportation is again stirring itself in advocacy of a revised standard form of fire insurance policy. While it is doubtless true that the present form could be somewhat simplified, yet it is a serious question whether or not it would be wise to overturn the old established form. The latter has had practically every sentence, almost every word, construed in court, and it yearly becomes more difficult for circumstances to arise under its provisions which require adjudication in court. As a result, litigation is minimized to the utmost, and prompt adjustments and payments of losses are the rule. Should a new policy form be required by law, with altered wording, many disputes would be bound to grow out of the various interpretations which would be placed upon its provisions. In this case it may be better to leave well enough alone.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

The companies represented in the W. S. Banta agency met last Thursday. M. O. Brown, vice-president of the Westchester Fire, was elected chairman, and Charles R. Watson, acting vice-president of the Eagle Fire, was chosen secretary of the meeting. After considerable debate the general sentiment was that the agency should be continued, with high-grade talent brought in to manage it. On resolution of President Price of the Eagle Fire, it was voted to ask the executors of the Banta estate to formulate a plan for the perpetuation of the agency, and to present the names of individuals they recommend as competent to manage it. The executors are to report at a meeting to be held October 31.

Hall & Henshaw have been appointed Metropolitan district agents of the Shawnee Fire.

The New York Board adopted, with hardly a dissenting voice, the amendment to the by-laws providing for an attendance fee of one dollar to members responding to the roll call, and imposing a fine of the same amount upon the absentees. This is going the Exchange one better, as that organization inflicts the penalty without bestowing a reward. Now it remains to be seen whether the presence of a quorum at the Board meetings will be improved under the new conditions. The success of the penalizing system of the Exchange has encouraged Board members to profit by the example.

The disposition of the white elephant known as the vacant rooms of the National Board, which are now a voluntary charge on the part of the latter, through the New York Board as an intermediary, is still a pending question. At the last meeting of the local Board, it was voted to assign the vacant rooms to the committee on losses and adjustments, provided an arrangement can be made with the executive committee of the National Board to transfer its voluntary obligation to the smaller room now used by the loss commitee.

Some of the companies represented in Brooklyn have been appealed to by their agents to urge that the principle of overhead writing, so strongly insisted upon by local agents everywhere, be applied to Brooklyn. The point is that the Brooklyn agents wish it understood all risks in that city will be handed over to Brooklyn agents, the same as if they were Chicago or Boston risks made binding in this city. As there are very few companies on this end of the big bridge not represented in Brooklyn, the general effect would not be bad; but what the agents in that city are aiming at is the immense amount of shore line business done over the counters here in New York which, it is claimed, belong to Brooklyn as much as if they were located on Flatbush avenue.

There is genuine sorrow among the brokers over the loss of Agent Banta. Some curious comments are heard concerning the final treatment which preceded his death and the quality of the surgery. Probably three-quarters of such comments have no valid foundation and are in fact groundless, but the case was so extraordinary that the sorrow over the loss of their friend incites the brokers to doubt if he might not have been saved.

Soliciting fire insurance by circular has received a new impetus, and somewhat of a new and picturesque development, under the direction of the only company "not connected with the insurance trust." The October 1 circulars sent broadcast over the city are literary curiosities.

The claims and criticisms are evidences of a fervid imagination. The idea that losses of one class can only be chargeable to the class without regard to other losses is certainly novel. As a broker puts it, "If the company is bankrupted by building losses, what becomes of the security for the sprinkled risks, and vice versa?" The brokers are offered twenty per cent on non-participating business now, and they predict that within a year the restrictions as to classes will be removed and a push begun for all classes.

A surplus-line company near the city has been freely writing San Francisco risks based on the policy conditions of the Commercial Union and Palatine, for the sake of the earthquake exemption clause. The abandonment of that clause by the two English companies in San Francisco is a body blow to the surplus lines, but the brokers are quite content.

Some of the annual reports of the great railway companies reveal some interesting figures about insurance payments and funds. The Erie paid out for year ending July 31 for premiums $80,429, or $2337 less than the previous year. The New York, New Haven and Hartford paid into its insurance fund $208,650; the fund is now $1,077,846, but the yearly losses are not stated. This company also has a casualty and accident fund of $102,992. The Atchison, Topeka and Santa Fe paid $286,133, against $255,065 the previous year.

The National Board engineers are now reinspecting New York, and have the assurance of the hearty co-operation of Fire Commissioner Lantry in facilities to the inspectors. They will investigate the conditions of the fire department and water supply, and ascertain whether the new high-pressure (salt water) service is in fair progress toward completion. The question of the danger from the skyscrapers will receive an exhaustive examination, and the engineers will probably offer some suggestions to the commission on building laws.

If the burning of car barns continues, it is evident additional adjusters will be required to carry on the regular work of the companies in this city.

BOSTON AND VICINITY.

The recess committee of the legislature at its last hearing considered the section of the insurance laws which hold that the agent and broker are to be considered as agents of the company, for the purpose of receiving premiums. President George P. Field, of the Boston Board of Fire Underwriters, offered a suggestion that the broker be not included in the operation of this clause, for the broker is sometimes, not infrequently, perhaps, financially not all that could be desired. He thought that the insured should take some of the responsibility concerning the reliability of the middle man, and that the insured should assume the responsibility, or a part of it, of the person to whom they pay premiums, and see that such are reliable persons.

There was quite an extended discussion relative to utility of brokers in fire insurance, the preponderance of opinion on the part of the members of the committee being that they are a superfluous and expensive luxury.

NOTES FROM PHILADELPHIA.

The executive committee of the Philadelphia Fire Underwriters Association has ruled that the five per cent exemption clause must be excluded from all floating policies. In such cases where it is desired to use the five per cent exemption clause special permission may be granted by the executive committee.

Another important addition to the rule covering builders' risks reads as follows:

If a building is entirely vacated for purposes of reconstruction, but only partially demolished, the executive committee on application, when recommended by the secretary, will name a rate for building in course of reconstruction, which rate, when promulgated, to take all rules, provisions and warranties of builders' risk rate.

The hazard of moving picture shows is receiving serious attention in this city at present. Market street, in the center of the congested section, is being honeycombed with such risks, and underwriters are consequently alarmed over the situation. Inspector William McDevitt, in his talk before the Insurance Society last week, illustrated the dangers, and recommended some legal action by the authorities allowing the use of only approved machines, and the examination of operators as to the knowledge of the attending dangers and their prevention. Director Clay has drafted an ordinance to govern these shows which he will have presented to councils. It provides for a yearly license of $50; inspection of the building by the fire marshal; the licensing, after examination, of the operators of the machines, and the adequate protection of the machines from danger by fire. A penalty of $50 is provided for each violation of the ordinance, and Director Clay is by its terms empowered to close the shows that do not live up to its requirements. This action has been taken by the director following the report made to him by Fire Marshal Latimer.

THE MIDDLE STATES.

—Billington, Hutchinson & Co. of Philadelphia have established a Western railroad department in Chicago, with A. L. Stokes as manager. They have secured the large line of the Northern Pacific Railroad.

—Jersey City, N. J., has just passed an ordinance adopting a building code which is practically the same as recommended by the National Board of Fire Underwriters, except for a few changes made necessary in order to conform with the city charter and State laws.

THE NEW ENGLAND FIELD.

—E. T. Rawley, a local agent of Maplewood, Mass., died recently. He was the first building inspector of Malden.

—Victor Roth, assistant secretary of the Security of New Haven, has been elected secretary to succeed the late Herbert C. Fuller. D. A. Blakeslee was elected a director of the company.

THE WEST.

—A disturbance over rates similar to that at Bluffton, Ind., was commenced a few days ago at Muncie.

—The New York Underwriters Agency has appointed L. A. Moare of Chicago as general adjuster at the head office in New York.

—The Milwaukee Board of Underwriters has elected Frank J. Meyer, president; Walter Green, vice-president; J. O. Meyers, secretary, and W. T. Durant, treasurer.

—D. A. Rudy, who recently resigned as president of the Indianapolis Fire, has announced that he will enter the field as an independent adjuster, with headquarters at Indianapolis.

—George M. Scott, an examiner at the home office of the Shawnee Fire, has been appointed special agent of that company for Nebraska and the Dakotas, with headquarters at Omaha.

—L. W. Grupe, an examiner in the office of the Northern of London, has been appointed Indiana special agent of the company, succeeding C. L. Easton, who goes to the Wisconsin field.

—A meeting of the Lake Underwriters was recently held at Cleveland to wind up the present classification of the Inland Lloyds of Buffalo and support hereafter the Great Lakes Register of Cleveland. This has charge of the classification of vessels as a basis for insurance rates.

THE SOUTH.

—Gilbert Hay of Waco has been appointed Texas general agent of the Equitable Fire of Charleston, S. C.

—A meeting of Tennessee local agents was called to convene at Nashville yesterday for the purpose of effecting a reorganization.

—At a recent meeting of underwriters held in Atlanta a temporary organization was perfected looking to the operation of the General Adjustment Bureau in the South.

—Insurance Commissioner Love of Texas has ruled that a purely mutual fire insurance company organized under the laws of another State cannot do business in Texas, though it may possess $100,000 surplus assets.

—Hughs & Yates of Atlanta, Ga., have been appointed general agents of the United Firemens for Georgia and the Carolinas. W. E. Chapin will relinquish the general agency he has held for the United Firemens on November 1.

MISCELLANEOUS FIRE NEWS.

—Mayor Taylor of San Francisco has decided to appoint William M. McCarthy as fire marshal to succeed John S. Parry, resigned.

—The fire limits of San Francisco will be extended if the recommendations of the special committee to report on the matter are accepted by the fire committee.

—It is reported that Chief Raymond of the fire department at Blind River, Canada, has been arrested in connection with recent incendiary fires. Six men are under arrest.

—Tom C. Grant, Pacific Coast manager of the North British and Mercantile, retires in January. He has been in harness forty-five years. His son-in-law, Mr. Bertrand, will succeed him.

—Grim & Conroy, composed of Alfred R. Grim and Thos. J. Conroy, have been appointed Pacific Coast general agents of the Aachen and Munich. The firm also represents the Caledonian.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

On October 1 the Equitable Life appointed William E. Wilkinson agency supervisor in connection with the department of Eastern States. Mr. Wilkinson has for a number of years been one of the Metropolitan managers of the society, turning in a goodly volume of business annually. He is universally esteemed by his business associates and bears a high reputation for straightfordwardness and good fellowship among a very large circle of friends.

A special meeting of the stockholders of the Bankers Life of New York has been called for November 4, to vote upon a proposition to increase the capital stock from $100,000 to $200,000.

Commissioner E. E. Rittenhouse of Colorado last week commenced an examination of the Provident Savings Life of New York, whose control recently passed to Philadelphia parties. S. H. Wolfe is the examiner in charge.

A. A. Drew of the Mutual Benefit Life has been appointed superintendent of agencies for that company in place of Col. Le Gage Pratt, who has resigned, to devote his entire time to his Congressional duties beginning December 1. Mr. Drew has had an extended life insurance training, having been in the service of the Mutual Benefit for a number of years, prior to which he was with the Prudential. The company has made a wise selection for this important position, and all who know A. A. Drew feel sure that he will make good.

On Monday Morgan J. O'Brien argued a motion to quash the indictments for forgery and perjury against John R. Hegeman, president of the Metropolitan Life. District-Attorney Jerome has until October 30 to reply.

BOSTON AND VICINITY.

The fall banquet of the Boston Life Underwriters Association will take place at Young's Hotel October 25. Speakers and subjects announced are as follows: President Charles J. Edwards of the National Association, "How can the agent best meet present conditions?" President Herbert C. Cox, of the Life Underwriters Association of Canada, "Some requisites of success." Ex-President George H. Allen of the Canada Association, "The tie that binds."

President Darwin P. Kingsley and Vice-President Thomas A. Buckner, at the offices of A. S. Browne, Boston agency supervisor, addressed a gathering of agents of the New York Life Thursday afternoon.

S. Stanley Brown of London, England, general manager of the Employers Liability Assurance Corporation, delivered an address last week, before the Boston Associated Board of Trade, the Amalgamated Board of Trade, the Boston Merchants Association, the Master Builders Association and the Arkwright Club, on the merits of the workingmen's compensation acts now under consideration by the recess committee of the Massachusetts Legislature. Mr. Brown, in the course of his address, said that Massachusetts should realize that the passage of a compensation act would, in the absence of such a law in adjoining States, prove a heavy burden on her employers and a serious handicap to her industries. It permits, he said, the overthrow of an amicable settlement between employer and employee, and it is practically impossible to prove "wilful and serious misconduct."

The Boston Society of Examining Physicians and Surgeons will meet at the Parker House on October 30. The chief subject under discussion will be "The medical witness in the courts of Massachusetts."

John S. Royal, who has for a number of years been connected with the Boston office of the Travelers, has been appointed assistant manager of the liability department of the Norwich and London Accident, at the office of the United States branch in Boston.

The committee on labor of the Massachusetts Legislature is now considering various bills relating to employers' liability. There appears to be no one interested in favor of these bills, but the building trades interests are appearing in opposition.

THE MIDDLE STATES.

Life Report of the New York Insurance Department.

Part II. of the forty-eighth annual report of the Superintendent of Insurance of New York is a bulky volume of over a thousand pages, and deals exclusively with the life insurance companies operating in that State. It bears date of October 4, which is much later than the annual appearance of this part for many years. The enormous amount of information required of the companies is only partially shown in this volume, many of the schedules being very properly omitted. Besides the usual showing of receipts, disbursements, assets, liabilities, business written and in force and schedules of investments, there is given for the first time, the gain and loss exhibit, schedules of bank balances, salaries of officers and annual and deferred dividends paid in 1906. The statements of forty-six life insurance companies are included in the volume, seven of which withdrew from the State at the close of last year. A departure from the practice of previous years is made in stating the net reserve at the amount reported by the companies with a foot note giving the Department's computation where the company has supplied different figures, so that the showing of surplus is not in all cases on a uniform basis with that shown at the end of 1905. The totals of the business as shown in the introductory tables have been exhaustively dealt with in THE SPECTATOR months ago.

—The Fort Pitt Life Insurance Society is being organized in Pittsburg, with the following officers: H. C. Sawyer, president; E. H. Farman, secretary, and W. A. Roberts, treasurer.

—The Pittsburgh Life and Trust has established a minimum standard of efficiency for solicitors. Hereafter, agents will be required to produce at least one application a week.

THE NEW ENGLAND FIELD.

—Harwood E. Ryan, formerly with the Provident Savings Life, has been appointed actuary of the Puritan Life of Providence.

—Hon. C. Smith of Burlington and Hon. F. P. Howland of Montpelier have been elected directors of the National Life of Vermont.

THE WEST.

Bankers Reserve Life Company of Omaha.

President Bascom H. Robison, of the Bankers Reserve Life Company of Omaha, Neb., has made good his promise to bring that organization into the million dollar class this year so far as assets are concerned. The statement for the quarter ending September 30 shows that the assets have reached a total of $1,014,607, and after providing for all liabilities there is shown surplus funds of $225,967. Inasmuch as the company only celebrated its tenth anniversary in July last, this may be considered a very favorable showing. The Bankers Reserve has grown steadily in financial strength and business magnitude and is being staunchly supported by the people of its own section.

—The First German Mutual Life Insurance Company, Evansville, Ind., has decided to leave the field.

—J. Harry Catlow, assistant manager of the insurance department of the Knights of Pythias, has been appointed assistant superintendent of agencies of the Security Life of Chicago. Croon W. Walker, formerly Central Illinois man-

ager of the Equitable, has been appointed Illinois manager, and Dr. W. S. Worth has been elected medical director.

—H. C. Brown has resigned as secretary of the Security Life of Chicago, and Carl T. Prime is acting secretary.

—George Graham, Jr., assistant actuary of the Provident Savings Life, has been appointed actuary for the Capitol Life of Denver.

—John A. Tory, Michigan manager of the Sun Life of Canada, has been appointed supervisor of agencies for that company in the Western field.

—The Wisconsin Benefit Association of Milwaukee is seeking permission to reinsure its business in the Fraternal Reserve Association of Oshkosh.

—The Dakota Mutual Life of Watertown, S. D., will enter North Dakota and Montana next year, and probably add on an accident and health department.

—Henry K. Merritt of Cumberland, Md., has been appointed manager of the Indianapolis office of the Mutual Life, succeeding E. M. Post, who goes to Cleveland.

—Louis C. Laylin, vice-president of the Ohio State Life, has been elected to the presidency of the company. C. P. Williams was elected first vice-president and general manager.

—Louis Wirth has resigned the general agency of the Massachusetts Mutual at Cincinnati, and will represent the Prudential in a similar capacity, succeeding Daniel W. Brown, resigned.

—The Attorney-General of Wisconsin has given an opinion in which he holds that banks may collect renewal premiums on life insurance, provided the fee for collection is only the exchange charge.

—The Great Western Life of Kansas City, Mo., reports new business of $5,195,750 for the month of September, with premiums of $198,982. Since its organization in the latter part of April this company has written $14,128,750, with premiums of $532,925, which establishes a new record for a young company. A twenty-story office building is to be erected for the company, at an estimated cost of $1,500,000.

—The Provident Annuity Life Association has been organized at Bloomington, Ill., with John E. Finney, formerly St. Louis manager of the Inter-State Life, vice-president and general manager. The other officers of the company are: A. E. DeMange, president; B. F. Harber, secretary; B. S. Green, treasurer. The home office will be in Bloomington, and the company starts with $3,000,000 insurance in force.

—Agents of the National Life of Vermont in Ohio and Indiana held their annual meeting and dinner on Thursday last at Cleveland, Ohio. A number of papers were read at the business session, and addresses at the dinner were of a high quality. Among those who participated in the talks were President Joseph A. DeBoer, Second Vice-President James B. Estee and Medical Director A. B. Bisbee. George H. Olmsted of Olmsted Brothers & Co. managed the affair to everybody's satisfaction.

—A recent appointment of the North American Life of Newark, N. J., to its agency staff is that of Knox & Swirles of Chicago as managers for Illinois. Both these gentlemen have been for the past fifteen years in the service of the New York Life, while the volume of their production is shown in the fact that they have been continuous members of the $200,000 Club. Thomas Moore Knox is a native of the North of Ireland, where he was born forty-nine years ago. He came to this country at the age of twenty-one, and, after spending some time in Texas, went to Chicago with Armour & Co. Thomas Scott Swirles is a native of Edinburgh. The North American is therefore well represented in Illinois.

—Charles Jerome Edwards, president of the National Association of Life Underwriters, was the guest of the St. Louis Association on Tuesday, the 22d inst. W. H. Herrick of that association is one of the vice-presidents of the national body. In Mr. Edwards' address he took the same optimistic view of the situation as expressed at Pittsburg and New York. Referring to legislation, he said: "I am satisfied in my own mind that there will be far less consideration of insurance questions by future legislatures. It has been clearly demonstrated, and is conceded, that the result of the varied laws enacted in various States has been one of complication and confusion, and that no general or specific good has been attained thereby to the policyholder, the public weal or the widow and orphan."

THE SOUTH.

—The South Atlantic Life has appointed J. W. McKee supervisor of agents for the State of Mississippi, with headquarters at Jackson.

—T. D. Meador of Atlanta has been elected vice-president of the Southern States Life, succeeding I. Y. Sage, resigned.

—The Guarantee Life of Houston, Tex., has entered Kansas and appointed J. E. Williams of Kansas City general State agent.

—The Empire Life of Atlanta is preparing to deposit an additional $50,000 with the State Treasurer of Georgia to enable the company to extend its business.

—A new life company is being organized at Fort Worth, Tex., by D. T. Bomar, vice-president of the Continental Bank and Trust Company. The company is to have a capital stock of $100,000 and surplus of a like amount. Half the capital stock has been subscribed.

—Some weeks ago an application was made for a receiver for the Keystone Life of New Orleans. It was alleged at the time that the suit was an attempt to harass the company, and this has been borne out. On Friday last C. von Schlemer appeared in court to press the application, but on his showing that he had no proof of the allegations made in the petition the case was promptly thrown out of court. The Keystone Life is now increasing its capital so that its business may be properly expanded.

—On October 15 the stockholders of the Florida Life of Jacksonville authorized an increase of the capital stock from $1,000,000 to $2,000,000, and also approved the project to erect a home office building. The company is meeting with good success in its home State, and will soon enter adjoining territory.

—The firm of J. Newman & Sons of Baltimore has represented the New York Life for nearly ten years, and in that time has contributed paid applications numbering 1128 for $4,403,804. The firm consists of Julius Newman and his three sons, Sylvan, Milton and Joseph. The senior member of the firm has been a member of the $200,000 Club since its organization, while the others belong to the Atlantic $100,000 Club. Such a record justifies the remark of Vice-President Buckner that this is one of the most remarkable life insurance companies in America.

MISCELLANEOUS LIFE NEWS.

Tables and Problems by Thos. Fatkin.

A very useful and comprehensive little work, bearing the title "Tables and Problems," with formulæ and solutions for ascertaining the annual payments required to provide assurances for life, endowment assurances, temporary assurances, immediate and deferred annuities, superannuation, old age pensions, etc., has been prepared by Thomas Fatkin, consulting actuary of Leeds, England. It is divided into five parts, as follows: I. Problems, formulæ and solutions. II. Tables. III. How rates of mortality and interest affects premiums. IV. Income and assets of life assurance companies. V. The elementary school teachers superannuation act, 1898. The simplicity of the work may be judged of from the first paragraph, which reads as follows: "What is, or rather what ought to be, the principal qualification of an actuary? My answer is—the ability to perform, with accuracy, the first four simple rules of arithmetic, viz.: addition, subtraction, multiplication and division. This is the only service necessary to enable any person to solve all ordinary problems affecting assurances and annuities." Copies of this work, bound in cloth, can be supplied at $1.50 each by The Spectator Company, 135 William street, New York.

Index to the Journal of the Institute of Actuaries.

A complete and exhaustive index to the forty volumes of The Journal of the Institute of Actuaries, issued in the years 1850-1906, has been prepared under the authority of the institute and the editorship of Thomas G. Ackland. Previous publications of indexes have covered the volumes from I. to XXX., inclusive, but this edition covers the entire set, so that prompt reference is greatly facilitated. All who possess complete sets of the Journal will need this valuable reference work, as will those who are interested in the topics which are continually being discussed by the leading actuarial body of the world. Copies of the index can be supplied at $2.00 each by The Spectator Company, 135 William street, New York.

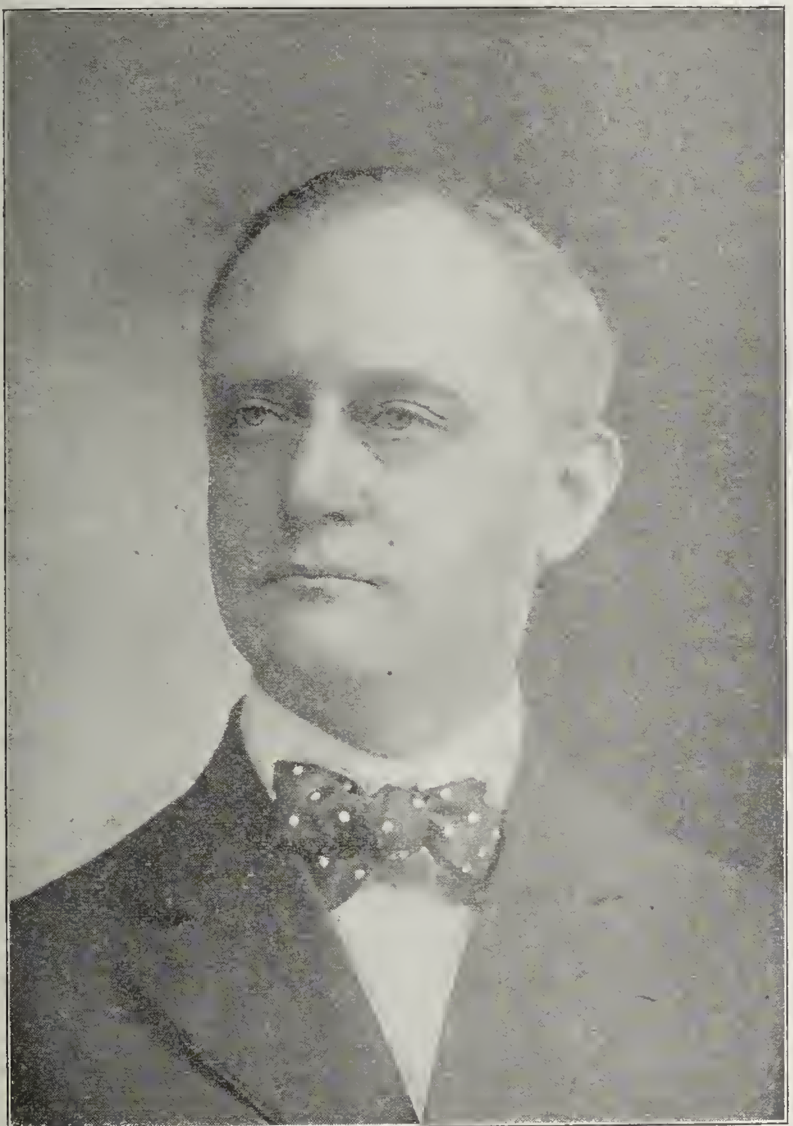
The October number of The Journal of the Institute of Actuaries, being part IV. of Vol. XLI., contains papers as follows: "On extra premiums," by Edward W. Lutt; "Notes on summation formulas of graduation, with certain new formulas for consideration," by George King; "An actuarial note," by Gilbert Goodman; legal notes, reviews, examination papers and a report of the annual meeting. Copies of this number may be obtained of The Spectator Company, 135 William street, New York, price $1.00.

—The report of the committee of fifteen appointed by the conference of Governors, Attorneys-General and Insurance Commissioners formed the basis of much of the legislation recently enacted regarding life insurance. Consequently, the report possesses considerable interest. Persons desiring to procure copies of this report are invited to communicate with The Spectator Company, 135 William street, New York.

—Recent appointments of the Equitable Life of New York include E. P. Langley, agency supervisor of the Philadelphia clearing office; Robert W. Barton, assistant agency supervisor, Montreal; F. W. McDonald, San Francisco, supervisor of agencies for California; Jesse F. Murphy, general agent, Seattle; Truman A. Warren, general agent, Stockton, Cal.; McCall & Pincus, general agents, Oklahoma City; Booth & Hendy, general agents, Denver; Wm. T. Tasker, general agent, Winnipeg, and H. E. Elden, Milwaukee, agency supervisor for Wisconsin.

F. H. Ross & Son, New York.

Twenty-four years ago Francis H. Ross opened an office at Twenty-third street and Third avenue, New York city, where for the succeeding twenty-one years he represented as uptown branch manager such strong companies as the North British and Mercantile, the Westchester Fire, the Norwich Union, the National of Hartford, etc., building up a large and successful business for them. Feeling that greater opportunities were offered in downtown agencies, Mr. Ross, with his son, under the firm name of F. H. Ross & Son, on April 1, 1904, moved to 46 Pine street and entered the agency field, representing the Buffalo German and the Buffalo Commercial insurance companies. Owing to the exceptional quality and satisfactory quantity of business secured for these companies, other agencies were given to the firm, and now, after an experience of three and one-half years, the firm represents as metropolitan



FRANCIS H. ROSS.

district managers five reliable companies—the Buffalo German Insurance Company, the Standard Fire Insurance Company of Trenton, the Teutonia Insurance Company of New Orleans, the Buffalo Commercial Insurance Company, and the Prussian National Insurance Company—and could give several other companies a good volume of choice risks. Mr. Ross controls a large personal business, in addition to the usual agency writings. F. H. Ross & Son have gained a fine reputation for conservatism in their underwriting operations, and the companies they represent have been thoroughly satisfied with the results attained in the metropolitan district. It is clear that the office of F. H. Ross & Son possesses all the qualifications to insure success. Close attention is given to details, and brokers are pleased by quick deliveries of policies. Mr. Ross was born in New York city, and has maintained his residence here at all seasons. This fact, in connection with his long uptown experience, has given him a thorough insight into metropolitan business and a knowledge of risks, which not only enables him to act promptly upon offerings, but to make an exceptionally profitable record for his companies, with a constantly increasing volume of business. The companies which Mr. Ross, Sr., formerly represented uptown were sincerely sorry to have him sever the connections which had existed for so many years, and all who have been long acquainted with him and his business methods agree as to his thorough integrity, underwriting ability, energy and financial responsibility, and his record has proven him a high authority on metropolitan district risks. Mr. Ross, whose likeness will be found in this issue of THE SPECTATOR, has made a host of friends, both in and out of the underwriting fraternity, all of whom are gratified with the degree of success with which he and his son have met and which they deem well deserved. F. H. Ross enjoys the close friendship of some of the leading underwriters of the country, who appreciate his sterling worth.

Casualty, Surety and Miscellaneous

Advisory Board Appointed.

The National Surety has appointed an Illinois advisory board with Charles G. Dawes, ex-Comptroller of Currency, and now president of the Central Trust Company of Illinois, as resident vice-president at Chicago. Other members of the board are: Samuel L. Felton, president of the Chicago & Alton; John A. Spoor, president of the Chicago Junction Railway; A. J. Earling, president of the Chicago, Milwaukee & St. Paul Railroad, and Walter H. Wilson, vice-president of the Western Trust and Savings Bank, and now comptroller of the city of Chicago. Marshall J. Kirkman, vice-president of the Chicago & Northwestern Railroad, has been appointed resident assistant secretary.

Will Reward Heroism.

The International Association of Accident Underwriters will reward persons in the United States and Canada for notable acts of heroism in saving human life. The names of those who will receive the awards will be announced at the annual conventions of the association, and it is possible that the presentations will be made at that time. The manner of award will be by medals, which will be known as the George E. McNeill medals. They will be of gold and about two inches in diameter. The face of George E. McNeill, a former president of the association and a man who was noted throughout the United States for his humanitarian principles, appears in relief on the face of the medal. On the obverse is the name of the association and a space for the engraving of presentation.

Bonds for Directors.

The National Surety Company has originated a form of bond of indemnity to trustees, directors, managers and officers of corporations. This bond will protect them against loss through action under the Saxe law of New York State, which provides that an action may be maintained against one or more trustees, directors, managers, or other officers of a corporation, compelling them to account for their official conduct, including neglect or failure to perform their duties in the management of property and funds in their charge.

September Accident Record.

The report of the Public Service Commission of New York city covering railroad accidents in the Metropolitan district during September, is quite similar to the August report and emphasizes the uncertainty of human life in the streets of New York. The report contains the following comparative exhibit:

	Aug. 5 to 31.	Sept.
Persons injured in car collisions	145	214
Persons injured in collisions with vehicles	465	641
Persons struck by cars	405	309
Persons injured boarding cars	641	503
Persons injured alighting from cars	1,263	915
Employees injured	641	597
Derailments	33	23
Injuries on stairways	26	35
Other accidents	1,881	1,669
Total	5,500	4,906

The serious accidents are further classified as follows:

	Aug. 5 to 31.	Sept.
Persons killed	42	56
Fractured skulls	10	11
Amputated limbs	10	7
Broken limbs	44	39
Other serious injuries	83	95
Total	189	208

The United States Fidelity and Guaranty Company.

During the month of September the Insurance Departments of Maryland, Minnesota and Virginia made an examination of the United States Fidelity and Guaranty Company of Baltimore under the supervision of S. H. Wolfe, examiner in charge. The examination was made in verification of the statement of the company as of December 31, 1906, and the following shows the condition of the company at that date as reported by the examiner:

LEDGER ASSETS.			
Book value of real estate, unincumbered		$521,642.34	
Mortgage loans on real estate, first liens		13,200.00	
Loans secured by pledge of bonds, stocks or other collaterals		138,415.00	
Book value of bonds, excluding interest	$1,496,165.99		
And book value of stocks	75,359.00		
		1,571,524.99	
Cash in company's office	$52,647.67		
Deposited in banks	1,071,837.21		
		1,124,484.88	
Bills receivable (department of guaranteed attorneys)		42,098.80	
Notes in New York office		6,000.00	
Ledger assets, as per balance			$3,417,366.01
NON-LEDGER ASSETS.			
Interest due and accrued on mortgages		$146.06	
Interest due and accrued on bonds		25,105.09	
Interest due and accrued on collateral loans		778.22	
Interest due and accrued on other assets		939.66	
Rents due and accrued on company's property or lease		891.67	
			27,860.70
Market value of real estate over book value			3,848.36
Uncollected premiums			340,309.85
Gross assets			$3,789,384.92
DEDUCT ASSETS NOT ADMITTED.			
Bills receivable (guaranteed attorneys' department)		$5,352.80	
Loans on personal security, indorsed or not		6,000.00	
Gross premiums in course of collection written prior to October 1, 1906		22,482.11	
Depreciation in assets		111,342.52	
Receiver's certificate counted as cash in bank		5,153.59	
			150,331.02
Admitted assets			$3,639,053.90
LIABILITIES.			
Total unpaid claims and expenses of settlement			$485,367.24
Total unearned premiums			1,205,076.21
Commissions due			78,909.21
Salaries, rents, expenses, taxes, bills, fees, etc., due or accrued			94,220.63
Return premiums and agents' credit balance			10,299.55
Reinsurance			1,367.69
Amount due agents on profit-sharing contracts		$5,687.45	
Note discounted		1,200.00	
Losses paid since December 31, 1906, on policies canceled before that date		12,757.74	
Unsettled losses reported since December 31, 1906		11,732.04	
			31,377.23
Total amount of all liabilities, except capital			$1,906,617.76
Capital actually paid up in cash		$1,700,000.00	
Surplus over all liabilities		32,436.14	
			1,732,436.14
Total liabilities			$3,639,053.90

The difference between the company's statement as of December 31, 1906, and the statement prepared by the examiners, results largely from technical construction. For example: Premiums that the company included in its 1906 receipts, because the applications were made and the business written in 1906, although the bonds were not to take effect until January 1, 1907, were deducted by the examiners, thereby reducing the premium receipts for 1906. Expenses authorized in 1906, but not accrued or paid until 1907, were charged by the examiners against the business of 1906, thereby increasing the expenses for that year.

The premium and claim reserves, and the depreciation in market value of securities were slightly increased by the examiners over these items carried by the company.

This examination and report establish beyond all question that the company's home office property, in the heart of the financial district of Baltimore, and other unincumbered real estate, are conservatively worth $521,642; that its high-class securities are conservatively worth, including cash in offices and depositories, $2,731,128; that its other valuable assets are conservatively worth $386,283, and that it has no liabilities other than the reserves which it is required by law to carry.

This should be, and no doubt is, sufficient evidence and guarantee to agents and clients that the United States Fidelity and Guaranty Company, with its capital of $1,700,000, and resources amounting to over $3,600,000, is in a strong and healthy financial condition.

We give below a statement of the condition of the company at the close of business September 30, 1907, which requires no comment.

STATEMENT AT THE CLOSE OF BUSINESS SEPTEMBER 30, 1907.

Assets.			
Real estate, home office property (assessed valuation, $406,450)		$400,000.00	
Real estate, other properties		119,780.84	
Investments, stocks and bonds (book value)		2,480,545.81	
Cash on hand and in banks		229,009.43	
Loans secured by collaterals		170,785.00	
Loans secured by mortgages		13,200.00	
Gross premiums in course of collection		473,470.52	
Due for subscriptions, department of guaranteed attorneys		37,880.68	
Advanced account contracts		31,894.57	
Interest due and accrued		24,092.69	
		$3,980,659.54	
Less market value of securities under cost		130,769.65	
			$3,849,889.89
Liabilities.			
Premium reserve		$1,274,876.90	
Claim reserve		448,548.92	
Commission due on uncollected premiums		99,428.81	
Capital stock	$1,700,000.00		
Surplus	327,035.26		
		2,027,035.26	
			$3,849,889.89

Casualty Notes.

—Paul M. Nippert, Pacific Coast manager of the Ætna Indemnity, has had Washington and Oregon added to his territory.

—Owing to the recently enacted "fellow servant bill" in Missouri, liability rates are likely to be advanced fifteen per cent in that State.

—Second Vice-President Edward L. Hearn has assumed the management of the accident and health department of the Casualty Company of America.

—The Security Casualty of Indianapolis began business on October 11. The company will write industrial insurance principally; the industrial department being under the general management of E. C. Burgan.

—The New Jersey Plate Glass recently presented a resolution to the members of the Plate Glass Underwriters Association in New York, which provides that where an outside company figured on a risk any member of the association could meet the outside figures after the company whose expiration the risk was had been given a chance to meet the outside figure. At the meeting held last week the resolution was defeated by a large majority.

—The Liability Insurance Association was organized in New York last week with the following membership companies: Ætna Life, Travelers, Ocean Accident, United States Casualty, Maryland Casualty, Fidelity and Casualty, Norwich and London Accident, Frankfort Marine, Pennsylvania Casualty, London Guarantee and Accident, New Amsterdam Casualty, and Casualty Company of America. Walter G. Cowles was elected president, and F. H. Kingsbury, secretary.

—Norman R. Moray, manager of the burglary department of the American Bonding Company in the Metropolitan district, 32 Nassau street, is rapidly perfecting his plans for a successful campaign for business. Mr. Moray was, until recently, city manager of the National Surety Company in the city department, and gave special attention to the burglary business, which he built up to handsome proportions. The American Bonding has given up its restricted form of policy at $7.50 and readopted the conference form at the regular rate. Mr. Moray is prepared to take care of all business handled by New York brokers and will have charge of all claims as well as the underwriting. His careful and considerate attention to the wants of brokers has doubtless been the secret of his success.

Surety Notes.

—The Empire State Surety has reached an agreement with the State of Iowa as to the completion of the Schlueter contract at Ames College and work will be resumed by the bondsmen.

—Harry Cowpertbwaite, a prominent contractor of Des Moines, has disappeared, leaving a number of unfinished jobs. The Illinois Surety, which is on the bond, will be asked to complete the work.

—The American Mutual Surety Company is being organized at Lincoln, Neb., with the following officers: E. P. Hovey, president; W. E. Sharp, vice-president; M. C. Rathburn, secretary-treasurer; T. S. Allen, general counsel; J. M. Snow and J. H. McClay, directors.

TOO LATE FOR CLASSIFICATION.

—A Mississippi county Circuit Court has granted a writ of mandamus prohibiting the Great Western Life of Kansas City, Mo., from operating in that State, and directing the Insurance Commissioner to cancel its license. The company will probably take an appeal to the Supreme Court.

THE SPECTATOR:

THE SPECTATOR, *established in 1868, is a weekly journal devoted to promoting the best interests of trustworthy insurance of all kinds. The subscription price for the United States, Canada and Mexico is Four Dollars per annum, postage prepaid. To all foreign countries in the Postal Union, Five Dollars per annum.*

THE SPECTATOR *has a larger circulation than any other insurance journal—and carries no "deadhead" subscriptions.*

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VOL. LXXIX. *THURSDAY, OCT.* 31, 1907. No. 18.

WHY RICH MEN NEED LIFE INSURANCE.

LIFE insurance men should take advantage of the financial situation to put in their most vigorous work. There has seldom been a more favorable opportunity for them. Thousands of men and women, who got badly frightened, withdrew their deposits from banks and trust companies, and did not know what to do with it after they had got it. In the hysterical condition of the public, they were afraid of all banks and savings institutions, and as a result there is more money actually in the hands of the people than usual. They are looking for safe investments, and it will not be a hard matter to convince them that life insurance companies not only guarantee absolute safety for their money, but give them better returns than they can get elsewhere. Many who withdrew their deposits put their money in safe deposit vaults, where it earns nothing, and, being withdrawn from circulation, is doing no good to anyone. A life insurance policy would be earning them something all the time. Rumors reflecting on the credit of great merchants and manufacturing and other corporations have been current during the past few weeks. Many wealthy business men actively engaged in enterprises have lost their fortunes during these trying times. What a fruitful field is open to the successful life insurance agent just at the present time to induce wealthy business men to insure or to take additional life insurance. In other columns we announce a new leaflet, entitled "Life Insurance for Men of Wealth: Some reasons why they need it more than the average man does—Rich men liable to lose their fortunes and leave their families impoverished."

DURING the financial crisis of last week, when long lines of depositors besieged certain trust companies, clamorous to withdraw their money, it was pitiful to note that most of the anxious ones were men and women of the middle class, shopkeepers, mechanics, clerks, etc., whose modest savings were in peril. Some of them, as they stood in line, waiting for hours for an opportunity to present their demands, told sorrowful stories of their necessities, and how much the few dollars they had saved meant to them. With some the loss would mean ruin to their business, loss of credit and an uncertain future; others would be deprived of the necessities of life, needing the money to buy food, clothing and comforts for their families. The women were especially pronounced in their demands, and in their tales of distress. Occasionally an active and seemingly prosperous business man was observed in the line, who betrayed as much anxiety as did any of those whose claims were smaller. All classes were represented among these depositors, and whether the amounts they desired to withdraw were large or small, the sum represented to each an important item, and the loss of a small amount would be as severely felt by the victim as would a larger sum be felt by another. The savings of years were tied up in these institutions that were trembling on the verge of failure. It was useless to tell them that the situation was the result of hysteria in the public mind, that the institutions were solvent and the deposits safe; they wanted their money, that represented so much to them, safe in their own hands. So they waited from dawn till late in the afternoon, some of them succeeding in obtaining their money, and others being shut out when the usual time of closing banks arrived. One man succeeded in getting his money from one institution and immediately deposited it in another, only to find next day a run on the second. Again he formed in line and waited his turn to be paid, and was rejoiced when he once again had his cherished greenbacks in his pocket. For three days there were runs on various financial institutions, and the entire population was in a fever of excitement. Thousands of persons besieged the doors of those banks or trust companies that were under suspicion, and the streets in their vicinity were densely packed with crowds of persons curious to see what was going on. It was not a panic, but very closely resembled one. Who ever heard of a run on a life insurance company? Such a condition is impossible, for their depositors—or policyholders—are absolutely protected by millions of dollars of assets, largely in excess of their liabilities. As these liabilities mature only at intervals, it is impossible for enough of them to mature at one time to cause a company the slightest inconvenience in paying them. Every legitimate claim against a life insurance company is paid promptly on presentation. There is no hesitation, no delay, no calling for outside help to meet a run, for there can be no run. A policy of insurance in any established life insurance company is good for its face value when it becomes a claim, and is an anchor to windward that brings to its owner satisfaction and contentment at all times, especially when the financial waters generally are disturbed and banks and trust companies tottering to ruin.

ON Monday next a hearing is scheduled to take place which will have an important bearing upon the future status of fire insurance in the State of Missouri. Some years ago proceedings were begun against the companies under the Missouri anti-trust law, and judgments of ouster were suspended on the payment by the companies of $1000 each. The present action is based upon the alleged purchase and use of advisory rates, made by an independent agency. There is no compulsion as to the use of the advisory rates by any company purchasing them, and they are considered as guides as to the approximate fire danger of the respective risks rated. In cases in which an insurance company has no in-

formation otherwise acquired indicating that a higher or lower rate should be paid by the owner of a given property, it may be that it relies upon the advisory rate as being a fair measure of the value of the risk. It is obviously impossible for each company to maintain its own private corps of raters in each State, as this process would so add to the expense of conducting the business, which is ultimately borne by the insured, that the premium rates would become almost prohibitively high.

If, on the other hand, the companies are prevented by obnoxious laws from carrying on their business economically, and charging reasonably low rates for the indemnity supplied, there would seem to be but one course remaining for them to pursue, viz., to withdraw from the State. In view of the persistent persecution which they have met with in the State of Missouri, many underwriters now regret that they did not withdraw their companies years ago. The present prosecution may prove to be the proverbial "last straw," in which event Missouri business men may suffer severely from the lack of fire insurance, as did those in Arkansas a year or two ago, because of the ill-advised action of their supposed representatives in the legislature, and the unnecessarily obstructive measures enacted by the latter. It will require a very broad, and seemingly unwarranted, interpretation of the law to make it forbid the optional use, as guides, of estimates of risk values made by an independent bureau; and it would be the part of wisdom for the State authorities not to press any charges upon such a flimsy and unsubstantial basis. On the contrary, if they have the best interests of the State at heart, they would better recommend to the next legislature the repeal of any laws which might be construed as prohibiting co-operation between fire insurance companies, for it is only by combining and comparing their experiences that such companies may know, within reasonable bounds, how low they can afford to fix premiums upon various classes of risks. We hope that the Missouri authorities will come to take a more just and reasonable view of these matters, although there does not appear to be very stable ground for such a hope at present.

ANNOUNCEMENT was made in THE SPECTATOR of October 10 that the Provident Savings Life Assurance Society had been sold to a syndicate of wealthy Philadelphia men. It is now stated that the deal has been complicated in consequence of the inability of the owners to deliver the stock of the company. The principal owners of the stock were E. R. and O. F. Thomas, who have been conspicuous in financial affairs recently because of their connection with A. F. Heinze in the control of several banks and trust companies. Their banking methods were in such disrepute that the New York Clearing House, a few days since, took action that compelled the retirement of these persons from every financial institution in New York with which they were identified. As a result of the financial stringency of last week, these reputed millionaires find themselves unable to meet their obligations, and as considerable of the stock of the Provident Savings was hypothecated to secure loans, they are unable at present to obtain it to deliver to the Philadelphia parties. The Thomases have asked for additional time in which to deliver the stock, and negotiations are pending by which it is hoped they will be able to carry out their contract. The Philadelphia gentlemen are in control of the company, George J. Elliott having been elected president and J. J. Coyle is the insurance manager. Meantime, S. H. Wolfe, consulting actuary, is examining the company, at the request of the Colorado Insurance Department, to ascertain whether or not it is solvent. The Provident Savings was recently examined by the New York Department, the report upon it being made in May, 1906. It was then declared to be solvent and in good condition. Nothing that is known to have occurred since should have changed this condition. Before the Philadelphia syndicate made the purchase of the controlling interest in the company, they caused an examination to be made and found its affairs in a satisfactory condition, both financially and from the insurance standpoint. Thereupon they paid to the Thomases the cash required as first payment for the stock, and are now waiting for its delivery. The financial stringency that tied up the banks where the Thomases had loans is cited by them as the reason for the delay in fulfilling the contract. The company is an old established one, with a good record, and is popular with its policyholders. Being a stock company, there have been several changes in its control, and it has, unfortunately, once or twice been made the football of speculators, who had no knowledge of the insurance business. Mr. Coyle, the new manager, is an experienced life insurance man, and was until recently president of the Pennsylvania Mutual Life.

THE time is most auspicious for some strong, trustworthy insurance companies to take up the business of insuring deposits in banks and trust companies. The idea was suggested in THE SPECTATOR several years ago, but has never been practically demonstrated. It is true that one or two small companies were formed in other States with the announced intention of insuring bank deposits, but if they got beyond the formative period and the choice of officers the facts were never made public. If the depositors in the banks and trust companies of New York had carried insurance upon their deposits, guaranteed by a substantial insurance company, the runs of last week upon those institutions would never have occurred, and the financial panic that demoralized business in general, and precipitated the failure of some prominent business houses, would have been avoided. If only those depositors having $10,000 or more at risk had been so insured, the panic would not have occurred, for the banks involved could have taken care of their small depositors. It is doubtful if any insurance company organized in this State has a charter sufficiently broad to enable it to insure bank deposits, but this could be easily remedied by applying to the legislature. In ordinary times depositors trust to the financial standing of the banks they patronize, and would not be likely to take insurance in addition, but the experience of the past two weeks would drive every one to seek the added protection of insurance. How long this sentiment will last is doubtful, but the chances are that when the hysteria has passed away, the incident will be forgotten and business return to its normal conditions. Under such conditions it is a matter of doubt whether a company to insure bank deposits exclusively could obtain sufficient business to warrant its existence,

but in such panicky times as were witnessed last week it would be overwhelmed with applications for insurance. What a satisfaction it would have been to a depositor if he had had a policy insuring his deposit in addition to the resources possessed by the bank in which he had put his trust.

THE eighth annual automobile show is in full swing in New York at the present time. Every variety of automobile constructed is on exhibition, together with all the necessary supplies that go to make up an automobile repair shop. Wonderful advance has been made in the development of these machines, and some of those to be seen are the acme of vehicular luxury. In connection with the exhibition, there should be presented a tabular exhibit of automobile accidents, showing the number of persons killed by them, the number injured, and the property damages. The Travelers Accident Company contributes a limited amount of information on this subject. It shows that from May, 1906, to May, 1907, it had 310 claims presented to it for automobile accidents, and paid out $58,109 to claimants. Of this gross sum $22,550 were paid for death losses and $22,773 for total disability, the remainder for minor accidents. This is a lamentable record, considering that the Travelers is only one of many companies insuring against automobile accidents, and that only a small percentage of automobile owners carry insurance. Complete statistics of this character attached to each automobile on exhibition would probably tend to dampen the ardor of many would-be purchasers.

LIFE INSURANCE TOPICS

BOSTON AND VICINITY.

At a dinner given to Col. Percy Parker, Wednesday night, last week, on his retirement from the presidency of the Columbian National Life by his successor, Arthur E. Childs, he was presented, on behalf of the home office and field force, with a beautiful loving cup.

President C. E. Adams, of the Massachusetts State Board of Trade, in an address before the board on the 22d inst., said: "Savings bank trustees and executive officials, so far as I have been able to ascertain, are about unanimously of the opinion that it would not be wise or fair to the majority of the depositors to add to a savings bank's functions a business so radically different as life insurance, as the law contains such an element of uncertainty regarding its possible effect upon the natural increase of deposits and confidence that have been so satisfactory in the past."

The Life Underwriters Association of Central Massachusetts held its fall meeting, in Worcester, Thursday evening. President Herbert C. Cox, of the Life Underwriters Association of Canada, was the principal speaker.

The fall meeting of the Boston Life Underwriters Association, at Young's, Friday evening, was large and enthusiastic, and the addresses were timely, instructive and helpful. President James White presided, and the principal speeches were made by President Charles J. Edwards of the national association, President Herbert C. Cox of the Canadian association, and Winslow Russell of Hartford.

CHICAGO AND THE WEST.

The American Patriots of Illinois have merged with the American Benevolent Association of Missouri, both being fraternals.

Carlos S. Hardy, general counsel for the insurance department of the Knights of Pythias, has filed a petition with the Supreme Court of Missouri asking for a writ of mandamus to compel the issuance of a license by the Missouri Department. The insurance department of the Pythians has been doing business in Missouri since 1877, and asserts that it has complied in every respect with the requirements of insurance laws.

The Missouri Department, however, has refused the license on the ground that the new policies issued in the fifth class of the department, and which are based practically on legal reserve rates, offer privileges and values which are held to go beyond the usual fraternal limitations. There is no suggestion of any impropriety in these privileges, which are based upon the best actuarial advice, but a technical objection is made on the ground that they are beyond the old fraternal standards.

The petition for mandamus is based upon the fraternal beneficiary laws of Missouri, which prescribe the requirements precedent to the issuance of the license. The petition shows that every one of these requirements has been complied with, and calls special attention to the closing section of the law, which provides that "such fraternal beneficent associations may create, maintain, disburse and apply a reserve or emergency fund in accordance with its constitution and by-laws." It is held that this latter provision fully covers the new policies issued by the Knights of Pythias.

NOTES FROM PHILADELPHIA.

The audit of the account of Henry J. Walton, receiver for the Mutual Life of Pennsylvania, shows a balance in his hands of $39,000 after the payment of expenses of $13,000. The claims amount to $78,000, and a dividend of 31.7 per cent has been declared by the auditor.

William L. Mooney, former assistant agency manager of the Philadelphia Casualty, has resigned and connected himself with the accident and liability department of the Ætna Life Insurance Company in this city.

J. Bickley Simpson, formerly a special agent of the Mutual Life of New York, has been appointed manager of the personal accident and health departments of the United States Casualty Company, under Billington, Hutchinson & Co., general agents of the company here.

The Pacific Mutual Life has appointed J. W. Fritts of Pittsburg general agent for Western Pennsylvania.

President John J. Coyle of the Pennsylvania Mutual Life has resigned so that he can give his whole time to other matters, and has been succeeded by John W. Phillips, a director of long standing.

The Manhattan Trust Security Company has resigned as general agent in this territory of the Royal Union Mutual Life, and Col. Clarence Hodson, its president, states that the company will hereafter confine its operations to banking and financial business.

THE MIDDLE STATES.

The Investigation of the New York Insurance Department.

Last week, Matthew C. Fleming, in his investigation of the New York Insurance Department, had Superintendent Otto Kelsey and a number of the employees of the Department on the witness stand. In the course of their examination various questions were asked regarding collateral loans made by the Mutual Life and the Equitable Life, the answers to which formed the basis of scare-heads in the daily press, and accusations that the personal interests of E. H. Harriman were being served by these loans. James McKeen, general solicitor for the Mutual Life, promptly wrote Superintendent Kelsey, assuring him that the loans, so far as that company was concerned, were all upon ample collateral, were unanimously authorized by the finance committee, and produced advantageous rates of interest. He went into the details of the particular loans referred to and offered to give any further information that might be desired.

The New York Life has notified policyholders who have paid their premiums with checks on banks that have suspended, that the company will extend thirty days grace to them.

Dr. Walter R. Gillette Found Guilty of Perjury.

Dr. Walter R. Gillette, formerly vice-president of the Mutual Life Insurance Company, was found guilty, on Thursday last, of perjury in the third degree, an offense carrying a maximum penalty of ten years. The jury was out an hour and twenty-five minutes. With its verdict of guilty it also made a recommendation of mercy. Counsel for Dr. Gillette at once moved for a certificate of reasonable doubt and arrest of judgment. Justice Dowling said that he would hear the motion on October 28. Dr. Gillette, who has been out on $10,000 bail, was then remanded to the Tombs. The charge on which he was convicted was that he had committed perjury in his testimony to the grand jury on May 24, 1906. He swore that certain funds in the Dobbs Ferry Bank belonged to his personal account. The district attorney induced him to acknowledge later that the account belonged to the insurance company. On Monday Dr. Gillette was sentenced to six mouths in the penitentiary. His counsel announced that they will use every endeavor to have the case retried.

—Charles B. Knight of Pittsburg, manager in Western Pennsylvania for the Prudential, has been transferred to Philadelphia, and W. W. Piper and C. A. Foehl, under the firm name of Piper & Foehl, will have charge of the western part of the State.

THE WEST.

—The Inter-Southern Life of Louisville has been licensed in Oklahoma.

—The Equitable Life of New York will establish a general agency at Escanaba, Mich., to cover the society's agencies in Northern Michigan.

—Alexander V. Weil, formerly of the New York Life at Chicago, has been appointed manager of the Fidelity Mutual Life in that city.

—The Attorney-General of Wisconsin has given an opinion, in which he holds that the inclusion of a disability clause in life policies is in violation of Wisconsin laws.

—The Northwestern National has just completed arrangements for entering Montana. This will complete the chain of Northwest States from the Mississippi river to the Coast.

—M. G. Watterson becomes special agent of the Berkshire Life at Cleveland, under General Agent A. K. Hannen, and C. F. Whipple, formerly general agent of the Franklin Life at that city, has gone with the National Life of Vermont in a similar capacity, under Olmsted Bros., State agents.

—In its quarterly bulletin to policyholders, the American Central Life announces that in the third quarter of 1907 it made very substantial gains. Since January 1 the assets have been increased by $267,545, and the surplus by $135,758, making the total assets on October 1 $1,798,427, and the surplus $420,716.

—The Northern Assurance Company of Detroit, the organization of which began about a year ago, has been licensed to write life insurance business in Michigan. Its officers are: Perry F. Powers, president; Clarence L. Ayres, vice-president; Charles P. Iler, secretary, and Judge Fred H. Aldrich, general counsel.

—The Union Life of Madison, Ind., has decided to go on a legal reserve basis, with a capital stock of $100,000 and surplus of $25,000. The officers are: Richard Johnson, president; S. M. Strader, vice-president; M. D. Wilson, second vice-president; L. V. Cravens, secretary; N. Horuff, treasurer, and C. B. Nicholson, general manager.

—Seventy-seven thousand dollars of stock and notes of the Jefferson Life of Indiana were deposited with S. M. Richcreek, a banker of Indianapolis, as security for a deposit of $25,000 advanced by Mr. Richcreek to be made with the Insurance Department. The Jefferson Life has since been merged with the Ohio State Life, but Mr. Richcreek demands cash for his stock instead of a transfer for stock in the Ohio company, and suit has been begun for the possession of the collateral.

THE SOUTH.

The Eastern Life Assurance Company of Virginia.

Early in the current year a license was granted by the Insurance Department of the State of Virginia to the Eastern Life Assurance Company, with headquarters at Onancock, Va. Since that time the compauy has transacted a volume of business far in excess of the expectations of its managers and is now looking out for a number of good producers, as explained in an advertisement elsewhere. To such it offers a fine agency contract, a good selling policy and a splendid field for business. The company has an authorized capital of $250,000. Its officers are: Arthur M. Nottingham, presidcut; G. Fred Kelly, vice-president and agency manager; J. C. Van Pelt, secretary and actuary; David C. Kellam, treasurer, and Oscar L. Powell, medical director.

—The Union Central Life has decided to retire from Texas at the end of the year.

—Geo. W. Ryan, Southern manager for the Indiana National Life, has appointed W. A. Rinker Southern superintendent of agencies. Mr. Rinker has made an exceptionally good record in his former connection with the Reserve Loan Life, and has advanced steadily ever since he entered the life insurance business in 1902.

—Stewart A. Howard has been appointed acting superintendent of agencies of the American National Life of Lynchburg, succeeding W. S. Mandeville, resigned.

—The Mutual Reserve Life has been barred from Mississippi for three years because of failure to satisfy a judgment rendered in favor of Eliza J. Saunders, a policyholder at Vicksburg.

—The Great Western Life of Kansas City, Mo., has been licensed in Alabama, and N. O. Tyler & Co. of Birmingham and Green & Barnes of Andalusia have been appointed general agents.

—T. B. Wallace has resigned as assistant superintendent of agents of the Metropolitan Life in Atlanta, to accept a similar position with the Rome Industrial Life in the Atlanta branch.

—J. E. Heffelfinger of Springfield, Ohio, general manager of the Union Central Life, will retire from business on January 1. Mr. Heffelfinger has been with the company for almost forty years, and is one of its largest producers.

—Four damage suits aggregating $40,000 have been filed by directors of the Keystone Life of Louisiana against Bernard Von Schlemmer and C. Von Schlemmer, whose petition for a receiver for the company was recently denied.

—T. M. Hobson has resigned as cashier of the ordinary life department of the Life Insurance Company of Virginia, to become assistant secretary of the American National Life of Lynchburg, Va. P. St. George Cooke has been given charge of two auditing divisions of the industrial department.

—The Georgia Life Insurance Company of Athens is being organized, with a proposed capital of $500,000, to operate on an old line basis. Those identified with the enterprise are: John A. Darwin, I. N. Fargason, John R. White, Hamilton McWhorter, L. F. Edwards, James White, James V. Carithers, E. R. Hodgson, W. T. Bryan, J. N. Webb, J. E. Talmage, Sr., C. R. Phinizy, J. J. Wilkins, Billups Phinizy, C. H. Hulme, James M. Smith of Oglethorpe county.

—A permanent injunction has been granted the State Mutual Life of Rome, Ga., against Insurance Commissioner Folk of Tennessee, preventing that official from revoking the company's license in his State. Federal Judge Clark held that the acts of the Tennessee Legislature regarding board contracts have no effect or reference to such contracts made in States other than Tennessee, and consequently the Commissioner could not revoke the company's license for violations thereof.

—The Northwestern National Life announces authoritatively that it will continue in Texas, complying with the Robertson law of that State. "Texas looks good to the Northwestern National," says President Thompson, "and the Northwestern National looks good to Texas, I am glad to add. We find the agents of the State most anxious for the company to remain, that they may represent it there. Our treasurer has personally looked into the matter of investments and deposits, and has made arrangements highly satisfactory to the company. The reduction in premium tax to companies complying with the Robertson law makes full amends to the Northwestern National for what increase in taxation is effected under the deposit provision of the Robertson bill."

MISCELLANEOUS LIFE NEWS.

"Life Insurance for Men of Wealth"—A Leaflet.

We have just issued from the presses of The Speetator Company a new leaflet entitled:

Life Insuranee for Men of Wealth—Some Reasons Why They Need It More Than the Average Man Does—Rich Men Liable to Lose Their Fortunes and Leave Their Families Impoverished.

This leaflet eomprises eight pages, and eontains a relation of the personal experienee of two prominent life insurance managers, explaining why wealthy men need life insuranee. Price, $20 per 1000, $12 per 500, $3 per 100; sample eopies, 10 eents. Address The Spectator Company, 135 William street, New York.

Best's Insurance Reports.

[To the Editor of The Spectator.]

A correspondent has just informed us that the Alfred M. Best Company of 100 William street, New York, "criticises our company, the—— Life Insurance Company," but he adds, "its objections might be of little value." Our correspondent is a subscriber to the Alfred M. Best Reporting Agency, and subsequent to his inquiry of that agency and its reply, in which we were criticised, the Alfred M. Best Company has made inquiry of us concerning certain features of our business. It would seem to us that the reporting agency had already framed its opinion on this company, and was willing to impart its opinion before making investigations, and that this inquiry is based merely on a desire to secure additional information for misinterpretation and misrepresentation. We are not so familiar with the purposes and standing of the Alfred M. Best Agency as we know you to be, and while our

request might seem extraordinary, we shall take the liberty of inquiring from you, if it is not asking too much, whether in your opinion the ——— Life Insurance Company shall trouble itself to furuish information on request to the Alfred M. Best Company, which apparently has assumed to advise clients adversely about this company before making first hand investigations into the company.

Very truly yours,

October 22, 1907. (Signed by the President.)

[This is one of many communications of a similar purport that have been received by THE SPECTATOR. We have heretofore, on several occasions, in the columns of THE SPECTATOR expressed our opinion of the methods pursued by the publishers of Best's Insurance Reports, and at present have nothing further to add thereto. We beg to remind our correspondent, however, who is an officer of a prominent life insurance company, that there is uo obligation on his part, or on the part of his company, to furnish information to their defamers.—EDITOR THE SPECTATOR.]

—We have taken THE SPECTATOR for some time, and feel satisfied that it is *the* insurance paper.—J. Newman & Sons, general agents, New York Life.

—President Charles Jerome Edwards, of the National Association of Life Underwriters, was the guest of honor at a meeting of the Montreal association on Monday last. He took as his topic the broad field of association work—the excuse for the association, its opportunities for good and its responsibilities.

INDUSTRIAL INSURANCE

—The industrial leadership in the Colonial among the assistants for 1907 is held by J. Conley of Newark.

—In a recent special ordinary effort in the Prudential's New York No. 10 district, every man iu the district produced. The result was a graud total of $119,500.

—The Prudential men at Muscatine, Iowa, and at Muskegon, Mich., have locked horns in a battle for joint proportionate results, from September 30 to December 23.

—M. Misick of Brooklyn, of the Colonial, has the honor of leading the agency corps for the year on the ordinary record. Agent J. Grautling of Hoboken leads the industrial army.

—The Colonial has already succeeded, in 1907, in equaling the whole of the splendid 1906 record. It is therefore self-evideut that the company's returns for the last quarter of the year will mark a new era in its business. The company's statement is that the year-eud will be of a most gratifying character.

—The Prudential's superintendency leaders in industrial for 1907 are: G. S. Wainwright, Washington; V. W. Kenney, Baltimore 3; J. Pauer, McKeesport, A. X. Schmitt, Chicago 2; Z. T. Miller, New York 8. The superintendents leading iu ordinary are: J. R. Russell, Pittsburg 1; Z. T. Miller, New York 8; H. R. Kendall, Louisville; J. S. Keudall, Chicago 1; A. X. Schmitt, Chicago 2.

—The Life Insurance Company of Virginia has made the following changes and promotions: Agent J. W. A. Humphries of Union, appointed superintendent of that district; Agent R. L. Stith of Atlanta, advanced to an assistancy in that district; Assistant A. L. Goodwin of Spray, appointed superintendent of the Asheville district; Agent W. D. Sherwood of Spray, appointed assistant in that district, succeeding A. L. Goodwin, transferred to Asheville.

—The most recent changes reported by the Colonial are: Appointments to Assistancies—John N. Bains, Philadelphia; Charles Ramp, Harrisburg; Daniel Goodman, New York; Harry Hewson, Plainfield; Harry J. Symons, Brooklyn; George Martin, Pittsburg; Berthold Heksch, New Brunswick; Nelson Ducharme, West Philadelphia; William Burkhard, Bronx; Eugene Clark, Philadelphia; Assistant J. E. Conley, transferred from Brooklyn to Newark; A. C. Duncan, Williamsburgh; J. Tapfer, Bronx; Thomas A. Koru, Germantown; J. S. Hoge, Norristowu; A. E. Hall, Williamsburgh, and William J. Stock, Union Hill.

—The Prudential has advanced the following agents to the rank of assistant: W. C. Wood, Mt. Vernon; J. F. Johnson, Lawrence; P. J. Travers, Salem; J. B. Williamson, Manayunk; W. Narrigan, Philadelphia 2; T. J. Malloy, Canton; A. J. Woodard, Cleveland 1; J. H. Carmody, Auburn; W. A. Bachmau, Watertown; A. C. Cover, Baltimore 2; H. H. Witte, Baltimore 2; P. F. Marsteller, Washington; T. A. O'Neil, Troy; C. M. Virtue, Galesburg.

—Manager Burn, of the Brooklyn district of the Colonial, still holds the supreme leadership for industrial in 1907, but the Williamsburgh warriors have pressed so hard that they are once again nearly equal, and Manager Janson of that district feels extremely confident of coming out a four-time winner. Following these gentlemen in the battle are: Manager McLeod of Pittsburg; Manager Whitaker, Harlem, and Manager Griffin, Jersey City. The ordinary managerial leadership is held by W. J. Burn, Brooklyn, and next to him may be mentioned, H. J. Whitaker, Harlem; L. P. Welsh, Trenton; L. Janson, Williamsburgh; W. L. Griffin, Jersey City.

—The John Hancock announces the following promotions and transfers: Henry C. Hess, Springfield; William Horstmeyer, Pawtucket; Edwin Davis, Germantown, and Christian Getzendanner, Detroit, have been advanced to the rank of assistant in the districts in which they are employed. George H. Maynes has been promoted from an agency at Roxbury to an assistancy at South Framingham; and Peter Gorman, from an agency at Pawtucket to an assistancy at North Adams. Assistants Transferred—Frank J. Gildea, from South Framingham to Pawtucket; Leo F. Saunders, from North Adams to Brockton; Thomas H. Haley, from Philadelphia 4 to Jersey City; Antoin J. Cowan, from Salem to South Norwalk, and Henry McQuade, from Roxbury to South Boston. Agent Charles E. Moore is now application inspector at Brooklyn 4.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

The announcement of the intended withdrawal of the Alliance of London from the United States caused no surprise among the English companies, who are familiar with the peculiarities of that company. The semi-official explanation is that the company is dissatisfied with the reflections cast upon it by the persistent defense of its Pacific Coast policies, which contained an earthquake exemption clause. The company stood upon its contract, but actually paid fifty and seventy-five per cent of its San Francisco losses in spite of its legal defense. The company had no just reason to be dissatisfied with its Eastern business, the profits of which were steady; and if the company had not cut down its lines and shown an extraordinary timidity about New York business, its profits would have been quadrupled by the lines which it dropped.

The final fate of the Banta agency seems to be in doubt. We presume some action will be taken at the conference of the interested companies to-day. It is reported, on excellent authority, that there is likely to be a break in the ranks. The pressure on the part of two or three of the companies to dissolve the connection is very strong, and the effort to keep them together in the interest of the Banta estate rests largely on the fact that the deceased appointed two of the officers of his companies as his executors. And then report says that a special agent of one of the strongest of the companies has a scheme to become manager for all the rest and create a succession in his own name. It is known several applications for the agencies have been received by nearly all the companies individually.

About a half dozen licensed special agents, who are authorized to procure insurance in unrepresented companies upon affidavit risks, have received from the Superintendent of the Insurance Department copies of a complaint sent to the Department by the president of the Excelsior Insurance Company of this city. The communication cites the fact that affidavits were filed by these special agents referring to a half dozen department store risks, upon none of which the Excelsior had any insurance. The claim was made that the company was entitled by law to a full line upon each of these risks. The Department requests an explanation from the special agents, but in the end the question must be settled whether the owners of property can be compelled to accept lines from the Excelsior whether they are willing or not—a new doctrine of coercion.

The liberality of the companies in their lines upon sprinklered risks has struck the brokers with an idea of cultivating the feeling to their own advantage. There is a sprinkled department store risk which absorbs a building, fixtures and stock—nearly $2,000,000. Heretofore the regular companies have held about $1,200,000, the inter-insurers about $400,000 and the surplus lines the balance. The broker who controls the risk resolved to cut out the surplus lines entirely, lest the firm should increase the inter-insurers line. He addressed numerous

letters to companies holding various lines upon the risk and asked for an increase. He estimated there was a chance for an increase of about $100,000. On the fourth day after, the answers began to arrive; he counted up authorizations to the amount of $220,000—and all this, too, after an exhaustive effort two years ago to obtain increased lines.

It seemed remarkable how many agents and brokers did their banking with trust companies during the late flurry. The State banks for two days declined to accept checks on trust companies except "subject to collection." These checks were thrown back on the companies after the Knickerbocker Trust suspension, and in a few days became quite an annoyance. Thus it was that the troubles of the banks fell upon the underwriters.

John Ludwig of 325 Furman street, Brooklyn, was arrested last Saturday charged with setting fire to a building on Eighty-second street, between Second and Third avenues, Brooklyn, on August 3 last.

The Insurance Society of New York was addressed on Tuesday evening by Perez N. Stewart, ex-superintendent of buildings of New York city, on "Recent Improvements in the Manufacture of Fire-Resisting and Fire-Retarding Materials," and their application in building construction. His talk was both interesting and instructive, and was thoroughly appreciated by those present. The subsequent discussion brought out enlightening remarks as to cement and concrete construction, from Mr. Stewart, J. K. Freitag, author of "Fireproofing of Steel Buildings;" Rudolph Miller and F. M. Griswold. The "music and talent committee" did its share toward rendering the evening a most enjoyable one.

Alexander Duncan, who retired from the management of the Scottish Union and National a few years ago, died suddenly on the 16th inst. at Oban, Scotland.

BOSTON AND VICINITY.

The recess committee of the legislature the past week took up two proposed amendments to the fire insurance laws, both aiming to amend the standard policy so as to require the insured, in case of loss by fire, to file a statement of his loss at the request of the company. The law at present requires the assured to file such a statement "forthwith," and the courts have held that he cannot collect on his policy unless the statement is filed within thirty days.

Curtis Clark, a well-known fire underwriter, died Sunday at his home in Brookline, aged eighty-two. He was born in Elmira, N. Y. Many years ago he was in business in New York city as general agent of the Westchester Fire. He came to Boston at the time of the great fire to adjust the losses of his companies, and decided to remain here. He founded the firm of Curtis Clark & Co., which, in 1895, was changed to Clark, Kaler & Co.

The Massachusetts Association of Local Fire Insurance Agents has elected the following officers: President, William Gilmour, Boston; vice-presidents, Fred C. Church, Lowell; C. H. Cornish, New Bedford; W. S. Warriner, Springfield; C. B. Russell, Marlboro; T. H. Raymond, Cambridge; secretary and treasurer, E. P. Ingraham, Worcester.

The stockholders of the New Hampshire Fire have voted to increase the capital stock of the company from $1,000,000 to $1,100,000, and to issue the new stock at $150 per share. It was voted to accept the amendment to the charter allowing the capital stock to be increased to $2,000,000.

"What are the rights of the mortgagee under the Massachusetts standard form of policy, if the mortgagor has failed, in the event of a fire loss, to make a written statement to the company, giving particulars and amount of loss." The Massachusetts Supreme Court, in a recent decision, holds that when the insured failed to file the statement there was between the company and the mortgagee an implied contract, by which the mortgagee was obliged to furnish the company with such a statement within a reasonable time—before the mortgagee had a right to enter suit.

CHICAGO AND THE WEST.

The Indiana rate troubles interested the Chicago managers during the past week. The rate war begun at Bluffton the week before caused the Muncie Union and non-Union forces to get into the field for a short controversy. At first it looked as if there would be a big fight, but this was averted by the adoption of the new rates by the Muncie board taking effect November 1. The non-Union forces charged the Union field men with the responsibility for the trouble, and tried to hold the agents and the business men in line. Secretary Putnam, of the National Association of Local Agents, was appealed to, and a special meeting of the committee on co-operation of the Indiana League was called. The committee met at Indianapolis but could do very little in the way of a settlement.

It was asserted that an agreement had been secured at Muncie signed by all the agents, Union and non-Union, that no policies would be written to take the place of policies canceled to encourage a rate war. The threatened fray came to an end on Wednesday.

H. W. Colson, who has been superintendent of agencies for the central department of the Walla Walla Fire, becomes manager, succeeding C. H. Spencer, resigned. The latter will retire from the insurance business and devote his attention to his land interests in the Northwest.

MacEnancy & Hengle have been appointed Cook county managers of the Walla Walla Fire, with authority to locate another down-town agency if desired. This gives them the agencies of seven companies.

The Metropolitan Elevated Railway of Chicago has equipped several engines and trains with fire fighting apparatus to be used for extinguishing blazes in the barns, yards and stations along the roads. The South Side elevated has followed its example.

Rockwood Hosmer has been appointed special agent for the North River in Illinois and Ohio.

Gus A. Doerfler, formerly with the Dubuque Fire and Marine, becomes State agent and adjuster for the Northwestern National in Iowa and Nebraska. George M. Schrup, heretofore Mr. Doerfler's assistant, succeeds him with the Dubuque.

R. E. Nugen has been appointed special agent for the Queen City Fire in Minnesota, succeeding E. F. Hewitt, who becomes general inspector.

NOTES FROM PHILADELPHIA.

S. Lawrence Bodine has been elected vice-president of the Jefferson Fire.

The California has appointed Stokes & Packard and Haughton & Smith as direct reporting agents for Philadelphia and vicinity.

The stockholders of the American Fire of Philadelphia have been called to meet on December 26, to consider and act on the proposed reduction of the capital stock of the company from $500,000 to $200,000. No action will be taken looking to a resumption of business until this and other matters are settled and the San Francisco liabilities completely disposed of.

L. C. Madeira & Sons are now agents of the Buffalo German, succeeding James B. Carr & Sons.

Interest in the crusade being waged here against moving picture shows, particularly on Market street, is on the increase, and if nothing else results from it, in the opinion of prominent underwriters, the apparatus used in these exhibitions will soon have to be constructed and arranged in such a manner that the hazard from fire will be reduced to a minimum. The sub-committee of councils on fire and police is making a personal inspection of these shows, and the underwriters association is prepared to give the results of its investigation to the committee, with a view to the passing of a law to regulate these amusements.

THE MIDDLE STATES.

—Desk room convenient to the New York city insurance and financial districts is offered for rent in another column of this journal.

—From November 1, J. Walter Maull will represent the Western of Pittsburg as special agent in Eastern Pennsylvania, New York and New Jersey, with headquarters in Philadelphia. Mr. Maull was for twenty-six years connected with the Mechanics Insurance Company.

THE NEW ENGLAND FIELD.

—S. R. Merrick, senior member of the local agency of S. R. Merrick & Co., Clinton, Mass., died at his home in that city a short time ago. The business will be conducted by the deceased's daughter, Elizabeth F. Merrick.

—The engineers of the Committee on Fire Prevention have completed their investigations of the fire protection of Augusta, Maine. The conditions are summarized as follows: Water supply adequate and pressures good; quality available for fire protection in the principal mercantile district good, generally inadequate elsewhere. Fire department weak and only fairly efficient. Fire alarm system unreliable. The conflagration hazard in the mercantile district moderate, but severe locally, due to structural weaknesses.

—The conflagration hazard at Bangor, Maine, as found by the engineers of the Committee on Fire Prevention is severe in many parts of the congested value district. The water supply was found to be adequate and the management of the works efficient. The pumping capacity sufficient for ordinary conditions, but not for a conflagration. Fire department part full paid and part call men; reorganized every year. Service as a whole efficient. The fire alarm system is well supervised, but housed in a building of fireproof construction with one bad exposure and no window protection. Boxes of unsatisfactory type; keys attached or under glass guard on pole.

THE WEST.

Ohio Observations.

[From Our Own Correspondent.]

Total fire premium receipts in Cleveland this year probably will show a considerable falling off from those of 1906. All congested district rates were reduced about 7½ per cent on account of the new high-pressure water service; very nearly every factory owner who could raise the price of a sprinkler equipment has bought one, and some eight or ten larger lines which were lost somewhere—popularly supposed to be to London Lloyds—when the Dean rates became effective have not been regained. In addition, the rules of the local exchange were amended in 1906 to permit the writing of mercantile buildings for a term of years, and the result was, that every agent controlling such lines is now sitting around thinking of what a good time he had last year writing up this class of property on a term basis and wishing he had not done it. The estimated decrease in premiums for the year is from ten to twenty-five per cent, and this, combined with the fact that in the last twelve months twenty-one companies have entered the city, whereas only eleven have retired, makes the situation an unpleasant one for the companies who really want a good volume of business, and for the agents who would like to give it to them. In fact there are unmistakable signs that the agents feel disinclined to take on more companies until things pick up, which probably accounts for the recent experience of a really deserving company. This company recently tried to get a start in the local field and was turned down all around because the volume which it wanted, although moderate in ordinary times, was unobtainable under present conditions.

Propertyowners a little outside the Cleveland high-pressure water district, although more or less under its protection, are trying to obtain reduced rates. Their risks were not considered in the recent rerating of the district.

Ohio State Fire Prevention Association members will meet at Columbus, on November 12, to deal with the report on the recent Cincinnati inspection. It will show some bad spots to exist in the city. An incident growing out of the inspection is the bad feeling which has been stirred up by our member whose inspection impressed him so unfavorably that he canceled his liability everywhere in the block and then called in the daily newspaper reporters and told them what an awful place Cincinnati was, and how strange it seemed that the local inspection bureau could overlook such dangerous conditions.

The American Sewer Pipe Company line is now alleged to have been written over the heads of the local agents by Pittsburg brokers.

Columbus, October 28. Christopher.

—The American National of Rock Island has applied for admission to Indiana.

—The organization of the National Nest of the Blue Goose will be completed in Chicago next month.

—A general increase in fire insurance rates in Hamilton, Ohio, was recently announced by the local board.

—Henry Kothe, of the Indianapolis insurance firm of Richardson, Kothe & Uhl, died recently of appendicitis.

—G. A. Doerfler of Waterloo, Ia., has been appointed Iowa State agent and adjuster for the Northwestern National of Milwaukee.

—At a recent conference between Union managers and a committee from the Indiana State Board it was decided that the application of the analytic system of rating in Indiana and insistance upon the rates made thereby would not be abandoned or modified.

—Judge George F. Longan of Sedalia, Mo., the referee appointed to investigate the charge that the Union companies doing business in that State were violating the anti-trust law, will begin taking testimony at Jefferson City November 4.

—H. W. Colson, superintendent of agencies for the Central department of the Walla Walla Fire, has been appointed manager, succeeding Charles H. Spencer, who retires from the insurance business to devote his attention to his other interests in the Northwest.

THE SOUTH.

—The American Lloyds of New York has withdrawn from Tennessee.

—Robert M. Friend of Richmond, Va., announces the organization of the Adjustment Bureau, Incorporated.

—George N. Hurt of Atlanta has been appointed general agent of the Southern Fire of Lynchburg for Georgia and Alabama.

—Insurance Commissioner Cole of Mississippi announces that he will recommend the creation of the office of fire marshal to the incoming legislature.

—Hughs & Yates of Atlanta, Ga., have been appointed general agents for the United Firemens of Philadelphia, from November 1, their territory comprising the States of Georgia, North Carolina and South Carolina.

—The Tennessee Association of Local Fire Insurance Agents has elected the following-named officers: C. W. Olson, president; John Burns, George T. Wofford, R. C. Williamson, vice-presidents; Sol Moyses, Chattanooga, secretary.

—Justice Anderson, sitting in Circuit Court No. 2 at Washington, D. C., recently ordered the writ of mandamus against Superintendent of Insurance Drake, commanding him to issue to James A. Bates & Co. a license as insurance agents for the year ending April 30, 1908.

—Speaking of the fire protection of New Orleans, Charles H. Pescay, president of the Louisiana Fire Prevention Bureau, recently declared that the fire department of that city should be classed as a three-story department for a fifteen-story city. He also said that the conflagration hazard of New Orleans is an ever-present menace and a source of concern to underwriters.

THE PACIFIC COAST.

—The Excelsior Fire Insurance Company of New York has made application to enter California. The company will be represented by David Duncan, while the southern part of the State will be under W. G. Johnson of Los Angeles.

—H. A. W. Dinning, who for three years past has been in charge of Johnson & Higgins' fire insurance business in San Francisco, has resigned to become associated with the well-known insurance brokerage firm of Browne & Scott, which, with his accession, has altered its firm name to Browne, Scott & Dinning. This firm controls a number of choice city lines, and, with the acquisition of Mr. Dinning, should considerably augment its business.

MISCELLANEOUS FIRE NEWS.

—The Central Manufacturers Mutual of Van Wert, Ohio, has applied for admission to California. R. G. Johns, from the home office of the company, will locate at Los Angeles as general agent.

—F. A. Downes, president of the Keystone and the Manton Mutual fire insurance companies of Philadelphia, Pa., will represent the Excelsior Fire of New York for all territory throughout the United States where the company is without agencies.

—The following figures tell the tale of the work of reconstruction accomplished in San Francisco since the conflagration: Permanent buildings erected, 6400; in course of construction, 3700; value represented by building permits, $100,000,000; reconstruction cost, $136,000,000; paid to labor, $56,000,000.

—Major Gilbert E. Overton of Los Angeles, Cal., died recently in Milwaukee, Wis. He was assistant Pacific Coast general agent of the Milwaukee Mechanics up to the time of the conflagration. After the company ceased to do business in California, Mr. Overton moved to Los Angeles and resumed the practice of adjusting.

—Licenses to do business have been granted to the Central Canada Mutual Fire and the Eastern Canada Mutual Fire, two factory mutuals which have made the necessary deposits with the Dominion government. The officers are, respectively: P. H. Burton and Col. J. H. Burland, presidents; B. L. Anderson and R. R. Samuel, secretaries. William Lauder, recently chief inspector of the New York Underwriters Agency at Toronto, has been engaged as automatic sprinkler expert and inspector for the two mutuals.

Acknowledgments

—New Hampshire Insurance Reports for 1907.

—Ohio Insurance Report, life, assessment health, accident and fraternal, 1907.

—The Annual Cyclopedia of Insurance for 1906-7 has been issued by The Insurance Journal of Hartford, Conn. It contains the usual amount of valuable information regarding insurance men, companies and affairs, brought down to the close of the year 1906.

Casualty, Surety and Miscellaneous

Heinze Out of Ætna Indemnity.

During the past week the connection of the Heinze interests with the Ætna Indemnity Company has aroused considerable interest among insurance men, owing to the tumble in copper stocks. All apprehension as to the welfare of this company has been dispelled by the announcement that Arthur P. Heinze has resigned as president. The directors who were associated with Mr. Heinze have made way for those who have secured the control from the Heinze interests. According to Beekman Hunt, first vice-president and general manager, the Heinze interest has been absolutely eliminated from this company, and a strong financial interest has acquired control, with the concurrent approval of the Insurance Departments of Connecticut and New York.

It is officially stated that all the United Copper stock held by the company was sold sometime ago at a profit.

The reorganization of the company was completed on Tuesday, when Frederick D. Kilburn, formerly superintendent of banks of New York State, was elected president, succeeding Arthur P. Heinze. The management and underwriting of the company will remain under the same able guidance as heretofore, and with the new financial interests that have taken hold of the company, its position may be said to be materially strengthened. Among the new directors are such well-known men as Frederick D. Kilburn, Edward M. Morgan, postmaster of New York; Hon. Clarence Lexow, and T. Tileston Wells of Lexow, MacKellar & Wells; Anthony Stumpf of New York; James H. Webb, of Alling, Webb & Morehouse, of New Haven; Beekman Hunt of New York; Earnest E. Lorrilard of New York, and Edward P. Metcalf, president of the Atlantic Bank of Providence, R. I.

Casualty Notes.

—The National Casualty of Detroit has entered Alabama and appointed W. Grummit, State manager.

—The Pacific Mutual Life has opened another branch of its monthly payment department in Chicago.

—John L. Paul has been placed in charge of the liability department opened by the Philadelphia Casualty in Chicago.

—The subscribers to the capital stock of the Ohio Casualty Company of Columbus met on October 30 to complete organization.

—The Woodmen's Casualty Company of Springfield, Ill., is now issuing policies to women. It also issues a workmen's collective policy.

—Several railroad, insurance and business interests of Chicago have combined to combat the various forms of accident fraud with which the city is overrun.

—John L. Royal, formerly in the Boston office of the Travelers, has been appointed assistant United States manager of the Norwich and London Accident Association.

—The Imperial Accident Company of Chicago is preparing to change from an assessment to a stock company with $300,000 capital, and to write all forms of casualty business.

—The Cleveland plate-glass compact organized early this year, and which went along satisfactorily for several months, is strained almost to the breaking point, through the alleged rate cutting of one member.

—R. S. Keelor has resigned as secretary of the Philadelphia Casualty and will go to Florida, where he has business interests. Mr. Keelor will remain in the South for about two months, after which he expects to be again identified with the casualty business.

—At a meeting of the stockholders of the Hartford Steam Boiler, held last week, it was decided to increase the capital stock from $500,000 to $1,000,000, and the par value of the shares from $50 to $100. The $500,000 increase will be taken from surplus and put into the capital.

—President Dunham of the Board of Casualty and Surety Underwriters has appointed a committee on legislation, composed as follows: Sylvester C. Dunham, Travelers, chairman; John T. Stone, Maryland Casualty; William F. Moore, New Amsterdam Casualty; Franklin J. Moore, General Accident; William B. Joyce, National Surety, and William Bro Smith, Travelers.

—The Commonwealth Casualty Company of Philadelphia began issuing, during October, an ideal gold bond policy, running in amounts from $100 to $5000 in case of accidental death, and in monthly benefits of from $20 to $100 in case of disability by accident or disease. This is one of the up-to-date policies, covering all diseases and accidents, and including full benefits for many disabilities that in most policies are only paid one-fifth benefits. This policy has many other new and improved features. The "Commonwealth" is making fine headway in new business throughout its territory. It is looking for a State agent for Indiana, and one for Northern Illinois.

—James A. Bowen, Southern special agent of the United States Casualty Company in its personal accident and health department, has gone to San Francisco to act as manager of the personal accident department of the C. J. Stovel agency.

—The United States Health and Accident is issuing what it believes to be the only paper devoted exclusively to accidents. The name of this paper is The Accident Age, and it is printed in the style of the ordinary daily. The manner in which the accident news is displayed is well designed to make thoughtful the uninsured.

—The Pennsylvania Casualty Company has opened its year-end campaign by announcing its intention to write $450,000 in paid-for premiums—increasing by $50,000 the mark set at the beginning of the year. Last year the company instituted the Legion of Honor, to which on January 1 were elected for one year those members of the field force who had distinguished themselves in the 1906 year-end campaign, or who had, in the opinion of the company, devoted their very best efforts to the forwarding of the company's interests. A membership entitles an agent to every possible consideration at the hands of the company, and is, as the company states, "no empty honor." A handsomely engraved certificate of membership is to be found framed and prominently displayed in the office of almost every member. The company has opened the Legion of Honor competition again this year, and if the mark of $450,000 is reached, in addition to allowing the regular benefits of a membership, the company will bring together and entertain the members at a convention to be held some time in April at the dedication of its handsome new home office building now being erected in Scranton.

Surety Notes.

—In the case of Cole vs. American Surety Company, the Supreme Court of Mississippi has given a decision by which hereafter fidelity and surety agents will have to pay a privilege tax of only $5 a year in each county, instead of $30 as heretofore.

—The State Comptroller of New York announced that in view of the unsettled financial conditions he will refuse to accept depository bonds from banks of other than the following surety companies: American Surety, Fidelity and Deposit, Fidelity and Casualty and the United States Fidelity and Guaranty.

—State Auditor Billheimer of Indiana has criticised certain State courts for refusing bonds of outside surety companies on the ground that judgments might have to be collected in the company's home State. The Auditor says the companies are entitled to have their bonds accepted provided they are licensed.

The Liberty Life Insurance Company.

The accompanying cut is a fac simile of the trade mark adopted by the Liberty Life Insurance Company of New York, whose first advertisement appears in this issue. The motto "Equal Rights to All" is well adapted to the figure of the statue of liberty, and if the company lives up to its chosen motto, and is managed properly otherwise, it cannot fail to succeed. Our best wishes go to the Liberty Life and its genial manager, Herman Leroy, the originator of the company's trade mark.

THE SPECTATOR:

THE SPECTATOR, *established in 1868, is a weekly journal devoted to promoting the best interests of trustworthy insurance of all kinds. The subscription price for the United States, Canada and Mexico is Four Dollars per annum, postage prepaid. To all foreign countries in the Postal Union, Five Dollars per annum.*

THE SPECTATOR *has a larger circulation than any other insurance journal—and carries no "deadhead" subscriptions.*

THE SPECTATOR COMPANY, PUBLISHERS.

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Telephone. { 231 *John.* 232 *John.* Address, 135 WILLIAM ST., N. Y.

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VOLUME OF LIFE INSURANCE IN FORCE.

THE various classes of life insurance organizations reporting to the New York Insurance Department had on their books at the close of 1906 policies representing $17,937,477,767 of insurance. This total includes the business of level-premium companies, both ordinary and industrial, assessment organizations and fraternal orders. Ordinary and industrial companies, maintaining full legal reserves, held $10,613,333,644 (on the paid-for basis), or 72.25 per cent of the total; fraternal orders held $4,589,454,140, or 25.58 per cent, the remaining $392,840,026, or 2.17 per cent, being in assessment organizations—nearly three-fourths of it in one concern. The gain in amount in force for the year was $512,418,212, of which over 52 per cent was made by legal reserve companies.

The accompanying table shows the progress made by the several groups of organizations, from which it is apparent that, in spite of the unsettled condition of the public mnd during the greater part of 1906, the legal reserve companies, as a whole, did very well. The new business on the paid-for basis was but 20 per cent less than in the preceding year, and if the heavy losses of the three New York companies in insurance in force is omitted from consideration, it will be seen that the gain for the year was very satisfactory. Fraternal orders made a much better showing than for the preceding year, although this is partly due to the admission of a large order to the State during the year.

COMPANIES REPORTING TO NEW YORK.

Old Line Companies.*	1906.	1905.
New business written	$1,256,420,472	$1,562,269,683
Increase in insurance in force	139,294,489	525,748,974
Total insurance in force	10,613,333,644	10,474,039,155
Industrial Companies.		
New business written	571,100,184	608,024,586
Increase in insurance in force	129,049,136	159,725,607
Total insurance in force	2,341,849,957	2,212,800,821
Fraternal Orders.		
New business written	572,655,021	494,079,807
Increase in insurance in force†	202,994,385	— 26,638,028
Total insurance in force	4,589,454,140	4,211,320,329
Assessment Associations.		
New business written	63,080,670	50,062,498
Increase in insurance in force†	41,079,202	32,792,654
Total insurance in force	392,840,026	335,193,980

* Industrial insurance excluded. † Only existing associations are included.

THE financial situation in New York city recently very closely approached a panicky condition. Indeed, the stringency in the money market during the past few weeks was so great as to cause a shrinkage in security values to an extent that was only equaled by the disastrous panics in previous years, that caused the failure of many banking institutions and private firms. Two weeks ago the crisis was reached when certain banks and trust companies found it impossible to dispose of their securities for cash with which to meet the demands of their depositors. Investigation revealed the fact that certain speculators, who had secured control of several financial institutions, had so loaded them up with stocks and bonds of other enterprises in which they were interested, for which there was no market, that it was impossible for them to continue in business without assistance. The associated banks came to the support of these weaklings and, by advancing some millions of dollars, prevented, for the time being, any national bank from suspending. The Knickerbocker Trust Company, with nearly $60,000,000 of deposits, was not fortunate enough to receive such backing, and was compelled to close its doors in the face of thousands of depositors who besieged them, eagerly clamoring for their money. This was a crucial point in the situation, and the greatest anxiety was felt lest runs should be made upon other financial institutions and a genuine panic be precipitated. The Secretary of the Treasury came to the assistance of the banks and, by placing several million dollars of government funds in National banks, relieved the money stringency and saved the situation. One result of the panicky feeling that pervaded the public mind was the forcing out of all those speculators from the positions they held in the banks and trust companies, and leaving them stranded, to face conditions that threatened ruin to each one of them, with reputations smirched and no friend to mourn their downfall. It is doubtful if there was in their manipulations of bank funds any transaction that would warrant their criminal prosecution, and it will be little satisfaction to a community that has lost millions of dollars through them to know that they have lost their private fortunes. The insurance companies will feel the depreciation in the market value of stocks and bonds when they come to make up their annual statements, unless the present conditions clear the atmosphere and lead to a decided improvement in the market. But Wall Street fluctuations have little to do with actual value of the properties represented by their stocks and bonds. The railroads still exist and are doing a larger business than usual; the crops were abundant, and their value is increased rather than decreased by this financial flurry; the mining industries are being pushed forward with accustomed vigor, and, in fact, every element of prosperity continues in the ascendant. If the speculative operators in "high finance" get pinched and slaughtered, so much the better for the country generally.

IT is difficult to keep track of all the twistings and turnings that are going on from week to week in connection with the Provident Savings Life Insurance Society. A year ago E. R. and O. F. Thomas bought a majority of the stock of the society from Timothy L. Woodruff, then its president. About three weeks ago the Thomases sold the control to a syndicate of Philadelphia gentlemen, who were at once placed

in physical control of the company. But the Thomases had hypothecated the stock to various banks, where it was held, with other collateral, to secure large loans made to them. The financial stringency came on suddenly, the market values of securities fell rapidly, and the Thomases were unable to obtain from the banks the release of the Provident Savings stock, and were, therefore, unable to make delivery of it as called for by the contract, but remained stockholders of record. While the Philadelphia gentlemen had actual possession of the company, had elected new directors and officers, they had not legal possession of the stock, for which they had already paid $100,000 in cash and $1,000,000 in notes. They demanded the transfer of the stock to them, but the Thomases claimed that such delivery was merely a technicality, inasmuch as the stock was to be turned back to them as security for the notes. There ensued much wrangling among the parties in interest and their respective lawyers, of which the daily papers made as much of a sensation as the condition warranted. On Saturday it was announced that Mr. Woodruff, acting as peacemaker, had brought about a compromise, whereby the cash and notes given to the Thomases were to be returned to the Philadelphia gentlemen and the Thomases to be reinstated in the possession of the company. But this is not likely to be the end of the matter, for the Thomases, having been discredited financially, do not want the company, and the Philadelphians do want it. There are others who are looking with longing eyes upon the company, and may enter the lists to secure control of it. It is most unfortunate that a company so well known as the Provident Savings, that has approximately $100,000,000 insurance in force and assets amounting to nearly $10,000,000, should be made the football of stock speculators. This is due to the fact that its capitalization is small, and the ownership of the majority of the stock carries with it control of the company. When the Thomases acquired such majority they had extensive ideas as to what could be done with such a company, and their scheme included the absorption of several other companies, making a large combination which should be under their absolute control. But they became involved in other large enterprises, and their plans did not materialize; then came the financial stringency that made it desirable to dispose of the Provident Savings, but which they are not as yet able to deliver. It is to be hoped that some well-known, practical life insurance men will yet come to the front, get control of the company, and withdraw it from further speculative entanglements. An examination of the company is now in progress, and it is believed that this will show that it is entirely solvent, and that its policyholders are abundantly protected.

WHEN one insurance company reinsures the business of another company it is presumed that it is done in accordance with law, and with the approval of the Insurance Commissioner of the State in which the transaction takes place. This official looks out especially for the interests of the policyholders of the reinsured company, to see that their rights are properly safeguarded by the company to which they are transferred. But there are generally others interested in the retiring company besides the policyholders. Usually there are many creditors whose bills are unpaid when the company ceases to exist. They have been induced to give it credit by the fact that the Commissioner has granted it a license to do business, thus tacitly certifying to its trustworthiness. There have been numerous instances where such reinsurances have been made where nothing was done to protect the general creditors outside of the policyholders and sometimes not the policyholders. The company going out of business denies liability on the ground that it has reinsured its business, while the reinsuring company denies responsibility for the claims of the creditors. In this way many persons who, in good faith, had trusted the retired company, have been robbed of the amount of their claims. They demand their money, but are knocked about, like a shuttlecock, from one to another until they grow weary and abandon their claims rather than waste time in efforts to collect them, and this the officers sometimes count upon. A correspondent has forwarded us a complaint in a transaction of this kind, and wants to know if he has any remedy. This is a question hard to answer, and should be submitted, with all the facts in the case, to some reputable lawyer, who may find a way for holding some one responsible in a civil suit. But we submit that in all cases of reinsurance of one company by another, the Insurance Commissioner should see to it that the general creditors of the reinsured company should be provided for as well as the policyholders. The company that takes over the business at a price is receiving all the benefits that accrued to the retiring company by reason of any expenditures it may have made in establishing itself and acquiring a volume of business that was worth purchasing. In taking it over, the reinsuring company should be compelled to take care of the indebtedness of the retiring company, and the purchasing price fixed accordingly. In short, the Insurance Commissioner should make it impossible for an insurance company to swindle its creditors by reinsuring its risks and sneaking out of responsibility on the plea that another company has bought whatever of value it had to sell. One company or the other should be made to provide for the general creditors before the Insurance Commissioner will issue a certificate granting the transfer. Numerous instances of the kind here mentioned will be recalled by persons familiar with insurance matters, and they constitute a species of petty swindling that Insurance Commissioners have it in their power to prevent.

The trustees of the Mutual Life, at a meeting held last week, nominated the following men, who were either members of the International Committee or candidates on the United Committee ticket, for election on the administration ticket to be voted on next June: Col. A. M. Shook, Stewart Shillito, Emile O. Philippi, James H. Wilson, Herman Ridder and Charles Emory Smith. Mr. Shillito is nominated to succeed Charles Lanier, who will retire at his own request. Frederick H. Eaton and Alfred E. Marling were nominated to succeed Frederick Cromwell and James N. Jarvie, J. Rogers Maxwell takes the place of the late Charles R. Henderson. George F. Baker, A. D. Juillard and Julien T. Davies are the only members of the McCurdy administration on the ticket. In addition to those mentioned above the following are on the administration ticket: Dumont Clarke, Cyrus H. K. Curtis, H. Rieman Duval, William H. Lambert, George P. Miller, Theodore Morford, Thomas M. Mulry, Leroy Springs, Henry W. Taft, Cornelius Vanderbilt, Robert M. Woodward, William F. Harrity, William B. Dean and Emory W. Clark.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

It is only fair to the Excelsior to say that the discovery that the company had one-third of its assets tied up in the Borough Bank of Brooklyn did not seriously affect its credit as a solvent indemnity institution. The financial pressure was so great that there are others beside the Excelsior which were bereft of cash balances in one day. Their credit was not thereby impaired.

Now comes the Insurance Commissioner of the District of Columbia with a sharp stick after several New York brokers who have been guilty of placing policies on a few risks in Washington without a license.

The news, via Albany, that the receiver of the old Manhattan Fire has $50,000 on deposit in the Trust Company of America, and proposes to remove it to a regular bank, has brought out the question why the amount is not used to pay a dividend to the creditors of the company. The funds have dwindled from a very respectable amount to less than a third of the original sum; caused by the unsuccessful efforts to collect an indebtedness from the ex-officials in Ohio. But if there is $50,000 left it would come very handy to the creditors at this time. Receiverships seem to be an invention to deplete funds of insurance companies and increase the trials of policyholders and claimants.

A most persistent attempt appears to be in progress in this city by an active insurance "bureau" to place lines at thirty-six cents on a sprinkled department store in Cleveland upon which the tariff rate is fifty cents. The Cleveland agents have not been favored with tariff rates on the risk, but it is well understood the chief inter-insurance concern of the country receives the full rate. The attempt has been only slightly successful, and only the lower grade surplus liners have been persuaded to accept the risk.

A delegation came here from Buffalo last week to intercede for concessions upon the sprinkled risks in that city. It is understood they were to have a return visit from some of the underwriters of this city, when an effort to harmonize the differences was proposed. This is one of the duties as well as one of the burdens of faithful committee work.

The companies have been having trouble with remittances from agents lately. They have long been accustomed to accept the agents' own checks on their local banks, which lately have only been bankable as "collections." Circulars and letters by the wholesale have gone out requesting agents to purchase New York exchange for remittances. The result has been an influx of bankers' drafts on the trust companies, and their own city bankers only accept "subject to collection." The last condition is more tantalizing than serious, but the experience is quite a lesson in correct finance.

Underwriters often express amazement because of the continued instability of rates. The daily changes number from thirty to sixty in all the boroughs. It would seem as if the multitude of changed rates in a single year should reduce the number as the body of risks grows larger, but with resurveys developing errors in former rates and in the changes in risks, the rates are apparently as far from a finality as they were five years ago. Apart from the general nuisance of witnessing hundreds of changes every week, the expense of maintaining the necessary machinery is not a small item. Any plan which would evolve a system to keep rates on a steady level without a dozen changes in a month would be hailed with joy.

A loan on a considerable block of shares of a millionaire fire office was suddenly called on Monday morning. The loan was made a year ago when assessments were in order. The owner had to do some tall hustling to save himself from a forced sale and consequent sacrifice. The bank relented fifty per cent of its demand, but explained that similar treatment of all its demand loans had been forced by the scarcity of currency.

The companies represented in the W. S. Banta agency held a meeting last Thursday, when it was decided to continue the authority of C. J. Banta to act as agent until November 30. The chairman was requested to work out in detail some plans from the various names submitted, the same to be presented by him to a meeting of the companies, which he will call as soon as he has finished his deliberations. It is the opinion that the agency will be continued with the Westchester, Firemans Fund and four other companies under a style which makes W. S. Banta's name prominent, and that about five companies will gradually go out into agencies which have offered specially attractive propositions. The applications for these companies by firms and individuals have been very numerous, and the intercession by friends of the applicants through personal interviews and letters of commendation have become a burden in many cases to the recipients. The first of the W. S. Banta companies to make new connections for local business are the Eagle Fire and the Delaware of Philadelphia, which have appointed Newman & MacBain their New York city agents.

BOSTON AND VICINITY.

The recess committee on insurance of the legislature gave a hearing the past week on a petition for legislation to provide for an investigation of fire insurance companies, for State supervision of such companies, and for the creation of a fire insurance commission, to consist of a retired insurance man, a merchant and a manufacturer, to be appointed by the Governor for a term of three years each, and to receive a salary of $5000 per year. The bill accompanying the petition provides that upon the petition of the mayor of a city, selectmen of a town, or twenty taxpayers thereof, the Insurance Commission shall investigate the rates of any fire insurance company.

The Boston Board of Fire Underwriters has adopted the following relating to bituminous coal:

In consideration of the reduced rate at which this policy is written it is mutually understood and agreed that this company is not liable for losses occasioned by spontaneous combustion of bituminous coal on the premises of the assured.

THE MIDDLE STATES.

—The American National of Rock Island, Ill., has been licensed to transact business in New York State.

—William O. La Motte, secretary and treasurer of the Farmers Mutual Fire of Wilmington, Del., died recently of Bright's Disease. He was seventy-nine years old.

—S. H. Quackenbush, general agent of the Aachen and Munich for Pennsylvania, New Jersey, Delaware and Maryland, has been appointed superintendent of agencies, succeeding T. C. Moore, resigned.

—Thomas A. Hird, stamp clerk and rater of the Underwriters Association of the Middle Department, goes with the Aachen and Munich Fire on December 1, as special agent for the Middle department.

—Hugh B. Ely, superintendent of the insurance department of the Pennsylvania Railroad Company, died last week at his home in Beverly, N. J. In 1903 Mr. Ely organized the Mutual Fire, Marine and Inland Insurance Company of Philadelphia, and was its vice-president.

THE WEST.

—The Indianapolis Fire will enter Ohio in the near future.

—Hastings & Heyden of Omaha get the Nebraska agency of the Rhode Island Fire.

—The Home Fire and Marine of McAlester, I. T., is arranging to enter Arkansas.

—The Michigan Commercial of Lansing has applied for membership in the South-Eastern Tariff Association.

—MacEnaney & Hengle of Chicago have been appointed Cook county managers of the Walla Walla Fire.

—H. C. Bohrus of Minneapolis has been appointed special agent of the Svea, assisting General Agent Parker.

—Nicholas Schenck & Co. have been appointed sole agents for St. Louis for the Hamilton Fire of New York.

—R. E. Nugen has been appointed Minnesota special agent of the Queen City Fire, succeeding E. F. Hewitt.

—W. T. Porter, Jr., of Cincinnati, O., has been appointed special agent of the Calumet for Ohio, Southern Michigan and Indiana.

—The Colorado law forbidding fire insurance companies to bring subrogation suits has been declared unconstitutional by a Denver court.

—The Colorado Insurance Department has given the Pennsylvania Fire fifteen days in which to show cause why its license should not be suspended. The diffi-

culty is in connection with its method of treating an obligation due it from another company.

—McLean, Stinson & Co., Ltd., of Toronto have secured the services of H. H. Motley for their Chicago office, to assist Eugene I. Wile.

—It is reported that I. S. Blackwelder, for nearly twenty-seven years Western manager of the Niagara Fire, will retire from its service January 1, 1908.

—The Western Association of Electrical Inspectors has elected E. R. Townsend of Chicago president, and William S. Boyd of Chicago, secretary.

—Walter A. Lowell of Chicago, who was sentenced to the Penitentiary for fraud and conspiracy to sell fake fire insurance, has been given a new trial by the Illinois Supreme Court.

—The central department of the Inland Fire of Spokane, Wash., will be in charge of Lebo, Anderson & Young, when the company has completed its organization, which it is expected to do by December 1.

—The hearing before Referee Longan at Jefferson City, Mo., of the charge that the Union companies in Missouri are in violation of the anti-compact law, commenced last Tuesday. Attorney-General Hadley is in charge.

—Because the Insurance Commissioner of Colorado objects to the plan whereby the San Francisco losses of the Union of Philadelphia were assumed by its chief stockholder, he has revoked the company's license. The losses were incurred through reinsurance of the Pennsylvania Fire, and it is understood that the latter released the Union from all liability, in 1906.

—In response to a letter of inquiry from Insurance Commissioner Beedle, the Attorney-General of Wisconsin has rendered an opinion to the effect that fire insurance companies may reinsure part of their risks in companies not authorized to do business in Wisconsin, providing, however, such companies are reputable and have a paid-up capital stock of at least $100,000.

THE SOUTH.

—J. N. Hendrix of Wheeling, W. Va., has been appointed West Virginia State agent of the Insurance Company of North America.

—C. W. Kompfe, secretary of the German Security Fire of Louisville, Ky., died recently of blood poisoning. He was seventy-six years old.

—The Commonwealth of New York has been admitted to West Virginia. J. Hornor Davis of Clarksburg has been appointed resident agent.

—Albert A. Wilson, president of the Firemens of Washington, D. C., died recently, after a protracted illness, of diabetes. He was sixty-seven years old.

—The Citizens Fire of Charlestown, W. Va., has appointed J. H. Bonney its special agent for West Virginia, Maryland and Pennsylvania, which latter State the company expects to enter on January 1.

—State Agent R. D. Coughanour, Jr., of the Commercial Union and Palatine in Texas, makes the announcement that on November 1 W. Hugh Hunter becomes special agent for both companies in South Texas, with headquarters at Houston.

—H. D. Richardson of New Orleans, recently appointed general agent for Louisiana and Alabama for the Queen City Fire, is interested in the organization of the Crescent Adjustment and Inspection Company, which will take care of the independent loss work formerly done by Mr. Richardson.

MISCELLANEOUS FIRE NEWS.

Secretary James W. Going on So-called Trusts.

James W. Going, secretary of the Shawnee Fire of Topeka, Kan., speaking of alleged "trusts" to regulate fire insurance rates, said in part:

There is a prevailing opinion that fire insurance companies are banded together, and that the prevailing rates result from a combination, trust or agreement. I am sure that the use of a microscope, or even a telescope, would fail to disclose such a condition, for it does not exist. However, it is my opinion that insurance companies should be compelled by law to charge the same rates (that is, the rate of one company should be the same as those of another). It should be as unlawful for a fire insurance company to discriminate in rates as it would be for a railroad company. They both occupy the same relation to the public. A fire insurance company should not be permitted to discriminate in favor of one of its customers to the detriment of another, for it would tend to encourage the one and to discourage the other. It is the popular belief that fire insurance rates in Kansas are too high, but I do not hesitate to make the statement that they are too low. * * * Fire insurance companies should be conflagration proof, and in order to place themselves in that position, rates should be sufficient that reasonable accumulations could be made to provide for these contingencies, which occur at regular intervals. I again repeat that rates are too low and not too high. For a fire insurance company to cut a rate should be equivalent to cutting its throat, and should be prohibited by law. The laws of Kansas and of the other States very properly require fire insurance companies to maintain a reserve. This would be absolutely meaningless and without force and effect unless adequate rates were collected. A fire insurance company that collected a rate of fifty per cent less than it should would necessarily have its reserve depleted to some extent. The reserve is a protection to the policyholders. Adequate rates will result in adequate reserves. Fire insurance is not a commodity, but modern conditions have made it a necessity. In place of rate wars there should be rate uniformity and co-operation. This would result in cheaper rates and would be a fulfillment of the noble and generous purposes which originally inspired the organization of fire insurance companies, where the many contribute to assuage the misfortunes of the few.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

Morgan J. O'Brien has been elected a director of the Metropolitan Life to fill the unexpired term of Thomas G. Rich.

The New York Life has notified its agency directors that all agents will be allowed an increase of five per cent in the first year's commission, it having been decided that this can be done and yet allow the company to remain within the expense limitation of the New York laws.

Justice Dowling last week denied the motions to dismiss the indictments for false report and forgery against Robert A. Grannis, formerly vice-president of the Mutual Life, on the ground that they superseded one another. Argument was again made for dismissal on the ground that the merits of the case were not such as to warrant the indictments. Counsel for Walter R. Gillette, who was sentenced to serve six months in the penitentiary, argued for a certificate of reasonable doubt. He maintained that the record did not warrant conviction. The district attorney's office opposed the granting of a certificate. On Thursday of last week Dr. Gillette was granted a certificate of reasonable doubt by Justice Dowling, before whom he was tried, and was released from the Tombs on $15,000 bail.

BOSTON AND VICINITY.

Insurance of bank accounts, while not new, is at present attracting attention. In insurance circles it is believed that little or no business of that character has been created, and that the need of this class of insurance does not exist in Boston. It is asserted that Boston agents of surety companies have mostly suspended taking this class of business, believing that by insuring accounts unwarranted discredit is placed upon the local banks. The usual rate charged is five dollars a thousand, but rates are really fixed according to the strength of the bank, in the opinion of the company. While the leading banking interests are using every effort at their command to restore confidence, the solicitation of bank account insurance is regarded as ill-timed, and it is generally condemned by the leading insurance interests in Boston.

NOTES FROM PHILADELPHIA.

On October 31, Treasurer William H. Berry of this State received a check for $75,700 from the United States Fidelity and Guaranty, to cover the sum, with interest, which the State had deposited in the Iron City Trust Company of Pittsburg at the time of its suspension, and for which the Baltimore concern was surety.

On November 1, Edward P. Langley, who had been cashier of the clearing house office of the Equitable Life in this city for many years, announced his promotion to be agency supervisor. Mr. Langley's affable manner has gained him many friends, and they predict for him a most successful career in his new position.

Former President Paul V. Connolly, of the defunct Keystone Bonding Company, of this city, has gone to Wheeling, W. Va., where he will represent the Philadelphia Life.

It is expected by those interested in the organization of the Atlantic Casualty Company of this city that it will be in operation before the end of the year. Under the management of George W. Smith, Jr., former manager of the liability department of the Empire State Surety Company, the company will write personal accident, health and liability business. Mr. Smith has had sixteen years' insurance experience with the Fidelity and Casualty, Travelers, Ocean Accident and the Empire State Surety, and is well qualified to take charge of the affairs of the Atlantic Casualty. Temporary officers are Chas. C. Beyer, president; Henry Bassett and Irvin Zimmerman, vice-presidents, and Leonard L. Bowser, secretary and treasurer. The board of directors is composed of men prominent in the business world here.

Robert G. Hazeldine, of the Casualty Company of America, has resigned to accept an official position with the Philadelphia Casualty Company.

THE NEW MORTALITY AND LIFE TABLES OF SCOTLAND 1891-1900.

By Frederick L. Hoffman.

A very interesting addition to the ever increasing number of general and special life tables is a series of tables for Scotland, constructed by the "shorter" method, and printed in the supplement to the Forty-eighth Detailed Annual Report of the Registrar-General of Births, Deaths, and Marriages in Scotland (1905). The earlier life tables have been reconstructed to make the method uniform for the four decades under review, extending the period of observation backward to 1861. The series consists of twelve tables, there being three for each of the four decades, respectively, for males, females, and both sexes combined. The earlier tables are briefly referred to, including those for the city of Glasgow. Thus far no new table for Glasgow has been published, the last being by Dr. Arch. K. Chalmers, medical officer of health, for the period of 1889-'90. Dr. Chalmers fully explained the method employed in the construction of his tables, which unfortunately has not been done by Mr. Dunlop, the Registrar-General for Scotland. It is stated, however, that the "shorter" method employed is quite similar to the method of Dr. Hayward in The Statistical Journals for 1901 and 1903. The omission to explain in full the method employed very seriously impairs the practical value of the tables for the very purpose they are designed to serve. As Mr. Dunlop points out, there have been two life tables for Scotland previously published, one by the late Dr. William Robertson, and the other by Dr. T. Adam, of the public health office of Glasgow. The former was published in the Nineteenth Detailed Annual Report of the Registrar-General, and the latter in The Statistical Journal for 1904.

For the city of Glasgow there have been various life tables published, which are discussed at some length in the text of Dr. Chalmers' tables, the earliest of which was by Mr. James Duncan, manager of the West of Scotland Insurance Company, now merged into the Scottish Amicable Life Assurance Society (1829). The researches of Dr. Chalmers have been ably supplemented by the reports on the vital statistics of Glasgow, by Dr. James B. Russell, formerly the medical officer of health (1886), and by James Nicol, city chamberlain (1891). The material is therefore available for a rather unusually complete understanding of the essential facts regarding the course of mortality through a long period of years, and the new mortality and life tables add much valuable material to the data previously collected.

The population of Scotland on the census day, 1901, was 4,472,000. The annual death rate during the decennial period ending with 1900, was 18.92 for males, 17.92 for females, and 18.40 for both sexes combined. The rate declined from 22.05 during the decade ending with 1870 to 31.61 during the decade ending with 1880, and to 19.16 during the decade ending with 1890. The various statistical tables of the report are illustrated by diagrams, including two showing the comparative expectation of life for both sexes for the two periods ending with 1870 and 1890, and for the two sexes separately for the period ending with 1900.

Since every life table rests upon the assumption of a certain number of persons being born each year, it is of importance to take into consideration the fluctuations in the birth rate. The birth rate of women, ages 15-45, increased from 147.6 per 1000 during 1861-'70, to 150.0 during 1871-'80, then declined to 139.2 during 1881-'90, and finally to 126.7 during the decade ending with 1900. Upon an approximate estimate the average number of births per marriage declined from 4.51 during the decade ending with 1870, to 3.98 during the decade ending with 1900.

The death rate was highest in the principal town districts, having been 20.35 per 1000, and lowest in the insular-rural districts, where it was only 15.94. The range in the death rate was from 20.42 in the county of Lanark, to 14.53 in the county of Peebles. The table here given shows the changes in the death rate during the last two decennial periods separately for each sex per 1000 living at each period of life, indicating the changes per 1000 during the intervening decennial period.

TABLE A—
MORTALITY TABLE OF SCOTLAND, 1881-1900—RATE PER 1000 LIVING AT EACH PERIOD OF LIFE.

Ages.	Males.			Females.		
	1881-1890.	1891-1900.	Change per 1000	1881-1890.	1891-1900.	Change per 1000
0- 4	54.4	54.9	+0.5	47.9	47.4	—0.5
5- 9	6.5	4.9	—1.6	6.6	5.2	—1.4
10-14	4.0	3.2	—0.8	4 2	3.6	—0 6
15-19	6.0	5.2	—0.8	6.2	5.2	—1.0
20-24	7.7	6.8	—0.9	7.2	6.0	—1.2
25-34	8.4	7.7	—0.7	8.9	7.8	—1.1
35-44	11.9	11.4	—0.5	10.9	10.4	—0.5
45-54	19.0	19.0	...	15.0	15.2	+0.2
55-64	33.6	35.8	+2.2	27.3	29.1	+1.8
65-74	64.8	68.4	+3.6	54.6	58.3	+3.7
75-84	133.9	138.1	+4.2	118.6	121.0	+2.4
85-94	286.5	280.5	—6.0	257.4	254.1	—3.3
95	432.1	429.8	—2.3	433.6	400.8	—32.8

The death rate of males increased 0.5 per 1000 at ages under 5, decreased more or less during the following age periods to age 45, remaining the same at ages 45-54, increasing from 2.2 to 4.2 per 1000 at ages 55-84, and declining from 6.0 to 2.3 per 1000 at ages 85 and over. The death rate of females declined at all ages under 45, increasing slightly at ages 45-84, and decreasing at ages 85 and over. Comparing males with females, the death rates for women were slightly higher at ages 5-14, the same at ages 15-19, lower at ages 20-24, slightly higher at 25-34, and perceptibly lower at all other ages.

The next table shows the number surviving to selected ages separately for each sex and for each of the three decennial periods corresponding to those selected for the review of the English life tables, briefly discussed in The Spectator of October 3, 1907.

TABLE B—
LIFE TABLE OF SCOTLAND, 1871-1900—NUMBERS SURVIVING AT SPECIFIED AGES.

Age.	Males.			Females.		
	1871-1880.	1881-1890.	1891-1900.	1871-1880.	1881-1890.	1891-1900.
0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
1	861,249	864,801	856,578	883,966	887.079	882,148
2	807,088	816,571	811,280	831,340	839,981	837,800
3	781,730	796,110	793,324	805,541	818,955	819,461
4	764,854	783,074	782,813	788,418	805,683	808,451
5	752,793	774,039	775,491	775,456	796,236	800,602
10	720,273	749,223	756,665	742,991	770,309	779,878
15	701,906	734,210	744,725	723,506	753,469	765,929
20	676,794	712,536	725,774	698,100	730.646	746,342
25	645,645	685,719	701,343	669,247	704,722	724,222
35	583,581	630,183	649,264	607,662	644,488	669,892
45	510,407	559,660	579,148	540,123	577,615	603,663
55	417,564	462,894	478,744	460,790	497,022	518,403
65	296,506	330,804	334,655	349,760	378,190	387,538
75	151,452	172,987	168,864	200,926	219,062	216,231
85	36,834	45,244	42,329	55,441	66,793	64,395
95	1,666	2,527	2,515	3,498	5,017	4,998

Selecting for purpose of illustration age 25, it appears that out of a million born, 55,698 more males survived to this age by the life table for the period ending with 1900, than survived by the corresponding life table for the period ending with 1880. For females the increased number surviving to this age was 54,975. Using for another illustration age 75, it appears that by the new life tables among males out of a million born, 17,412 more survived to this age than by the table for the period ending with 1880, and that of females, 15,305 more survived to this age.

The expectation of life at selected ages separately for males and females is set forth in the following table, which shows the expectation for each sex for the three last periods for which life tables have been constructed.

TABLE C—
LIFE TABLE OF SCOTLAND, 1871-1900—EXPECTATION OF LIFE AT EACH AGE.

Age.	Males.			Females.		
	1871-1880.	1881-1890.	1891-1900.	1871-1880.	1881-1890.	1891-1900.
0	40.95	43.92	44.68	43.80	46.33	47.44
1	46 47	49 70	51.08	48.48	51 16	52.71
2	48.56	51.61	52.90	50.52	53.00	54.47
3	49.11	51.92	53.09	51.12	53.35	54.68
4	49.19	51.78	52.92	51.22	53.22	54.45
5	48.97	51.38	52.29	51.07	52.84	53.95
10	46.07	47.10	48.53	48.19	49.54	50.31
15	42.21	43.93	44.26	44 42	45.59	46.18
20	38.68	40.19	40.36	40.94	41.93	42.32
25	35.42	36 66	36.68	37.60	38.39	38.54
35	28.67	29.46	29.22	30.91	31.51	31.27
45	22.08	22.55	22.16	24.16	24.59	24.15
55	15.91	16.24	15.79	17.48	17.78	17.32
65	10.44	10.81	10.53	11.49	11.85	11.54
75	6.05	6.48	6.37	6.68	7.07	7.01
85	3.31	3.51	3.59	3.64	3.85	3.92
95	1.65	1.78	2.07	1.79	1.98	2.49

The expectation of males at birth increased from 43.92 years during the period ending with 1890, to 44.68 years during the period ending with 1900. There was a slight increase in the expectation up to age 25, subsequent to which there was a slight decrease to age 75, and a slight increase at ages 85 and over. For females the expectation at birth increased from 46.33 years during the period ending with 1890, to 47.44 years during the period ending with 1900. There was a slight increase in

the expectation at ages up to 25, and a slight decrease at subsequent ages to 75, also a slight increase at ages 85 aud over.

The geueral results of the investigation may be summed up lu the statement that, comparing the expectations of life in the last decade with what they were in the previous decade in Scotland, there is now an increased expectation of life at all ages under 25 and over 75, but that the expectation of life between these ages has not increased, and in fact appears to be somewhat diminished.

If the life tables of Scotland are compared with those of Dr. Hayward for England, for the decade ending with 1900, constructed by the same method, it is found that the expectation of life of a male child at birth in England is 0.56 years less than in Scotland. At ages 1-25, however, the expectation of life is less in Scotland than in England, and slightly higher at ages 35 and over. The expectation of female life in England is found to be more than that in Scotland at ages under 45, and slightly less at ages 45 and over. A comparison of the expectations of male and female lives in the last decade brings out the fact that the expectation of female life is better at all ages than that of male life. According to the observations of Mr. Dunlop, at birth, it was 2.76 years more, at age 10 it was 1.78 years more, at age 25 it was 1.86 years, at age 45 it was 1.99 years, and at age 65 it was 1.01 years more for females than for males. The higher expectation for females is graphically shown in the form of an instructive diagram appended to the report.

The tables would have served a much more valuable purpose if they had been more fully explained as to the methods adopted in the construction of the tables, including the estimate of the population under 5 years of age. It is difficult to understand why the method adopted for so many years in the construction and publication of the life tables for England and Wales should not also have been adopted for Scotland. It is also very eurious to find that no similar tables should be available for Ireland, although the registration of births and deaths is probably as complete in Ireland as in Scotland. The underlying defect in the construction of life tables for the general population is usually more on account of errors in the registration of births than of deaths. There is great danger that too many assumptions enter into the theory of life-table construction, which may account for the fact that for many such tables only the results are published, and not the actual data from which the conclusions are derived. In any event it would be advisable to publish a statement of the actual mortality by single years of life for the period used in life-table construction, to afford some check upon the usefulness of the process of adjusting differences, which may or may not be due to the smallness of the numbers considered.

The law of large numbers has its inherent limitation, and there is always danger, as pointed out many years ago by Dr. Rumsey in his dissertations on "Some Fallacies of Statistics," that as the "ideal conditions are never practically fulfilled in a given population, or in any portion of it, the hypothesis, however correctly applied to a calculation of probabilities, is of no practical value in the comparison of facts by the sanitary statist." Since life tables are often used for the purpose of measuring sanitary progress, it is of the utmost importance that they should indicate correctly the true State of facts rather than conform to a desired symmetrical curve; for as Dr. Rumsey further pointed out, "it is difficult to conceive how that which is here termed the law of mortality, and which I should rather call a series of calculated results from a limited record of events, can possibly represent the actual facts in the case."

It is necessary, of course, to keep in mind that for the calculation of insurance premiums, in the words of Young, "the progression of numbers obtained should be one of a continuous character without the intrusion of abrupt breaks or discontinuities of succession," and that because of this necessity for life insurance purposes "some graduated results as a consequence of the attainment of this aim, have obscured rather than rendered clear the indications of progression, which some conditions or stages of life really present." Young holds also "that in adult male life the annual rate of mortality per cent, whether it be deduced from the experience of the peerage families, from the observations upon assured lives, or from the statistics of a particular social class, exceeds during the quinquennial period at ages 20-24 the rate prevailing in the succeeding interval at 25-29." (This assumption is not, however, confirmed by most of the tables for the general population of England, Scotland, and other countries.) The explanation to this exception to the rule of an uninterrupted increase in the adult death rate, again in the words of Young, is that "at these respective stages the power in the human constitution to oppose destruction does not suffer a diminution of equal proportions in equal times," and he concludes that "an additional force is thus introduced; and this apparently strange reversal of the general uniformity observable in vital statistics may be explained with reasonable probability," and that the age period 20-24 is especially critical to male lives as the immediate result of habits more or less detrimental to health definitely formed within a few years after leaving school. While there nevertheless remains the necessity for graduation in the calculation of life insurance premiums, it is necessary to keep in mind the suggestion of Young, that "in all graduated tables the actual observations should be recorded side by side with the adjusted result, so that an actuary may test by comparison the validity of the method employed; and at the same time the actuary, the statistician, and the anthropologist may perceive from the origiual facts any indications of the introduction of a divergence from uniformity (by the intrusion of another force), which the realities of Nature display."

The life tables for Scotland emphasize the necessity for a more complete statement of the theories and facts which enter into life-table construction, and which are generally ignored in the text which accompanies life tables for the general population. While it is true that the errors which underlie such tables are well known and understood by the trained actuary, they are almost universally ignored by others. Those who are interested in this involved branch of mathematical science can not do better than take into consideration the observations and suggestions of Francis Corbeaux, "On the Natural and Mathematical Laws Concerning Population, Vitality, and Mortality" (1833); of Henry W. Rumsey, M. D., in his "Essays and Papers on Some Fallacies of Statistics Concerning Life and Death, Health and Disease," etc., including observations on the new English Life Table No. 3, (1875); and the first chapter in T. E. Young's work on "Insurance," on "The Numerical Basis of Assurance Calculations, with Explanations and Discussions of Cognate Subjects."

THE NEW ENGLAND FIELD.

The National Life Insurance Company of Vermont.

The views of President Joseph A. De Boer, of the National Life Insurance Company of Vermont, on the life insurance situation have attracted considerable attention of late. It is therefore satisfactory to learn that his own company continues to prosper, having adhered firmly to the lines laid down many years ago for its solid upbuilding in every particular. In reply to a recent inquiry as to the progress of the National, Mr. De Boer writes as follows:

There is nothing special except it be that the National Life's experience is about the same as it has enjoyed for many years back on the score of both mortality and interest income, with a decrease in expense account and some decrease in the total volume of new business issued. The disturbed financial conditions at the large centers have augmented the need for policy loan services, which have been much in demand, but all such calls for accommodation are easily and promptly cashed, forcibly emphasizing the value of this feature of work in the modern policy of life insurance.

There is now beginning to be some tendency in the direction of decreased term issues, with a return to the use of the more beneficial and valuable classic forms of limited payment life and endowment insurance.

Effective work is being done, especially in such centers as New York city, Pittsburg, Boston, Cleveland, Manchester, Atlanta, Kausas City and elsewhere. We have made no point of taking on new agencies and have no litigation pending, resting entirely and surely upon the company's position on both investment and insurance counts. No special departures have been recently decided on, but of course we have under consideration the technical adaptation of its practices to the new legislation to which all companies stand exposed, in all essential particulars anticipated here.

We are confideutly looking for a good business the balance of the year and an ultimately satisfactory adjustment of all general conditions. The cue seems to be everywhere to adhere faithfully to the full day's work, however hard, in office and in the field and in obedience to the experiments of legislation in which the business is involved. During the past twelve months the National has increased all of its items of income, insurance, assets and payments to policyholders, and anticipates an ending to the year 1907 which will mark the highest point of economic efficiency reached in its nearly sixty years of life insurance work.

Vacancies on the board of directors, created by the deaths of Col. F. E. Smith of Montpelier, and George G. Benedict of Burlington, have been filled by the election of Charles P. Smith of Burlington, the president of the greatest savings institutiou in Vermont, and F. A. Howland, counsel of the company.

THE WEST.

Ohio Legislation.

The Ohio legislative committee met on November 1 aud will hold its uext session on November 12. Instead of the bill forbidding a life company to write participating and non-participating business, another measure will be recommeuded by the committee requiring that a separate exhibit be made of non-participating business in the annual statements made to the Insurance Department. The committee will also recommend a bill allowing companies to invest in mortgages on per-

petual leaseholds. The committee will also recommend a bill declaring the reserve liability to be deducted in tax returns of a domestic life company. It was also proposed to repeal the law which permits so-called burial associations to operate.

The bill requiring annual dividends remains the same, and a recommendation was made that dividends on renewable term policies be deferred to the end of the term and paid on condition that the policy be renewed and payable only by credits on renewal premiums. The committee appointed A. I. Vorys to draft all proposed bills and report at the next session.

—The Guarantee Life of Houston, Tex., has been admitted to Kansas.

—S. C. Bolling, who was recently appointed Chicago manager of the Prudential, has resigned.

—The Winona Mutual Benefit Association of Winona, Minn., is to be dissolved, by order of the court.

—The Bankers Life of Iowa will erect an office building at Sixth and High streets, Des Moines, to cost $85,000.

—The stockholders of the Des Moines Life met last week and voted to change from a mutual to a stock company with a capital of $100,000.

—J. B. Sells, president of the Pioneer Life of Indiana, has resigned, and will become general agent for Indiana for the Security Life of America.

—The Capital Life, recently organized at Indianapolis, has surrendered its charter and reinsured its business in the United States Annuity and Life.

—The Illinois Insurance Superintendent has refused to license the Reserve Loan Life on the ground that it has in force a number of board contracts.

—President Palmer of the Northwestern Mutual Life celebrated his eighty-eighth birthday recently. Mr. Palmer is said to be enjoying excellent health.

—The National Life Association of Des Moines, Ia., has recently entered Oklahoma, and appointed Palmour & McQueen of Oklahoma City State agents.

—The American Mutual Life is being organized at Lincoln, Neb., with the following officers: E. P. Hovey, president; W. E. Sharp, vice-president; M. C. Rathburn, secretary and treasurer; T. S. Allen, general counsel; J. M. Snow and J. H. McClay, directors.

—The Rockford Life Insurance Company is being organized at Rockford, Ill., with $100,000 capital and $25,000 surplus. The promoters are Louis Brandes, Chicago; Marcus A. Bettman, Chicago, and H. H. Tarbox, Freeport. Offices have been taken in the Trust building at Rockford.

—Elmer H. Dearth, former Insurance Commissioner of Minnesota, who was indicted on a charge of having accepted a bribe from W. F. Bechtel, former president of the Northwestern National Life, has been acquitted on the second trial of the case, the first having resulted in a disagreement.

—M. W. McCoy of Detroit, Mich., who has been State agent for the National Life Association of Des Moines, Ia., covering Indiana, Michigan and Illinois, has recently been promoted by the board in electing him field manager for the association, giving him full charge of the agency work.

—The Great Western Life of Kansas City has issued a block of special policies, limited to $15,000,000 and participating on all business written up to the year 1918. Another new form of special contract will be issued, which sets aside twenty-five cents on each thousand dollars and participates on all business written for the next fifty years.

—Frank D. Shera, formerly State agent for the Bankers Life Association, with headquarters at Indianapolis, Ind., has resigned his position with that company and been appointed State agent for Indiana for the National Life Association of Des Moines, Ia. Mr. Shera is considered one of the best posted and most capable life insurance agents in the field.

THE SOUTH.

State Mutual Life of Georgia in Tennessee.

Last week, as announced in these columns, Judge Clark, for the eastern district of Tennessee, granted a permanent injunction to the State Mutual Life of Rome, Ga., restraining Insurance Commissioner Folk of Tennessee from revoking the company's license. The notice of revocation had its origin in a letter from the Insurance Commissioner to the company, under date of July 13, 1907, in which he stated that he was reliably informed that the company issued special board contracts since chapter 455, acts of 1907, became a law. Also that the Great Southern Agency Company was at that time operating in Tennessee in violation of chapter 444, laws of 1907, and that agents of the State Mutual Life were selling stock in the agency company, subsequent to the passage of chapter 456 of the laws of 1907. On June 13 the Commissioner notified the company that after July 1, no company would be permitted to do business which makes any form of board contract with any policyholder, regardless of his place of residence; nor will agents be allowed to sell stock in any agency company.

Judge Clark points out that the revocation of license is based on supposed violations of the two acts of 1907, and that in relation to the board contract feature of the act "does not on its face, in terms, or by any fair or reasonable implication, have any extra territorial effect or reference to contracts made in States other than in Tennessee." As to selling stock, the company denied that chapter 456 had been violated, and supported its contention by affidavit. The court ruled that the company's connection with the Great Southern Agency Company is explained away in the bill, and by affidavit, so that the objection which the Commissioner makes is not tenable. The act of the legislature only makes it unlawful to sell stock in connection with, and as an inducement of, the sale of insurance policies. The Commissioner took the ground that any agent selling life insurance policies and stock in agency companies, whether such sales are made at the same time or not, would be held to be selling stock as an inducement to insurance.

The court held that the act is unlawful only when the stock is sold in fact in the inducement to insurance, and it requires this fact in the case to make the act unlawful or a ground of revocation; and the Commissioner cannot change the law by declaring that on a given state of facts he will hold this way or that way.

—The organization of the Georgia Life of Athens is progressing satisfactorily. John A. Darwin and L. H. Fargason, who will have charge of the underwriting, have both had wide experience in insurance. Among those who will be behind the company are Judge John R. White, a prominent financier and manufacturer; Judge Hamilton McWhorter, a prominent lawyer; L. F. Edwards, manufacturer; Capt. James White, financier; James Y. Carithers, W. T. Bryan, Edward R. Hodgson, Joseph N. Webb, John E. Talmadge, Charles H. Phinizy, John L. Wilkins, Billups Phinizy, G. H. Hulme and James M. Smith, all prominent business men.

MISCELLANEOUS LIFE NEWS.

Standing Committees of National Association of Life Underwriters.

Charles W. Scovel, chairman of the executive committee of the National Association of Life Underwriters, has appointed the following standing committees for 1907-'08:

SPEAKERS.

Charles Jerome Edwards, chairman, Brooklyn, N. Y; Herbert C. Cox, Toronto, Can.; William H. Herrick, St. Louis, Mo.; John W. Whittington, Los Angeles, Cal.; Everett H. Plummer, Philadelphia, Pa.; Richard E. Cochran, New York city; I. Layton Register, Philadelphia, Pa.; William D. Wyman, Chicago, Ill.; John Dolph, Cincinnati, Ohio; Frank E. McMullen, Rochester, N. Y.

FINANCE.

Ernest Judson Clark, chairman, Baltimore, Md.; George A. Cooper, Syracuse, N. Y.; W. O. Cord, Dayton, Ohio; E. R. Putnam, Rochester, N. Y.; N. D. Sills, Richmond, Va.; William J. Cameron, Birmingham, Ala.; H. H. Haskell, Los Angeles, Cal.

MEMBERSHIP.

William M. Wood, chairman, Pittsburg, Pa.; John C. Drewry, Raleigh, N. C.; J. Stanley Edwards, Denver, Col.; John H. Quinlin, Newburg, N. Y.; F. L. Chesney, Kansas City, Mo.; William Goldman, Portland, Ore.; Stephen F. Woodman, Boston, Mass.

STATISTICS.

J. W. Iredell, Jr., chairman, Cincinnati, Ohio; J. Putnam Stevens, Portland, Maine; J. Edward Meyers, Minneapolis, Minn.; Charles B. Van Slyke, Des Moines, Iowa; S. S. Voshell, New York city; F. E. Hitchcock, Springfield, Ill.; H. A. Craycroft, Dallas, Tex.

TOPICS.

William G. Carroll, chairman, Philadelphia, Pa.; William Tolman, Bridgeport, Conn.; W. P. Draper, Springfield, Mass.; James R. Nutting, Atlanta, Ga.; George H. Olmsted, Cleveland, Ohio; John D. Spencer, Salt Lake City, Utah; A. Homer Vipond, Montreal, Can.

PRIZE ESSAYS.

Charles E. Ady, chairman, Omaha, Neb.; E. G. Ritchie, Indianapolis, Ind.; Lester V. Bailey, Worcester, Mass.; Henry J. Powell, Louisville, Ky.; C. W. Orr, Fort Wayne, Ind.; R. S. Campbell, Port Huron, Mich.; Mrs. Florence E. Shaal, Boston, Mass.

CREDENTIALS.

George L. Root, chairman, Peoria, Ill.; Edmund E. Rice, Newark, N. J.; R. P. Dexter, Montgomery, Ala.; John F. Brown, Erie, Pa.; H. Wibert Spence, Grand Rapids, Mich.; Thomas J. Stewart, Toledo, Ohio.

TRANSPORTATION.

George Benham, chairman, St. Louis, Mo.; William Van Sickle, Detroit, Mich.; J. A. Wellman, Manchester, N. H.; A. R. Edmiston, Lincoln, Neb.; Benjamin J. Apple, Savannah, Ga.; E. H. Lestock Gregory, San Francisco, Cal.; G. H. Simpson, Montreal, Can.

THE PRESS.

James W. Janney, chairman, Chicago, Ill.; Fred A. C. Merrill, Buffalo, N. Y.; Thomas B. Young, Wilmington, Del.; L. D. Wilkes, St. Paul, Minn.; George H. Allen, Montreal, Can.; H. L. Remmell, Little Rock, Ark.

—W. C. Baldwin, president of the Pittsburgh Life and Trust, delivered a very able address last week before the Ohio legislative committee, which is drafting a new code of life insurance laws.

—Among the articles in the November number of The Century are: "The Reminiscences of Lady Randolph Churchill." I., by Mrs. George Cornwallis-

West; "The Natural History of the Ten Commandments," by Ernest Thompson Seton; "Cole's Engravings of French Masters: 'Madame Vigee Lebrun and Daughter,' " by Madame Vigee Lebrun; "Come and Find Me." VIII., by Elizabeth Robins; "Examples of American Portraiture." XVII., by Edwin Markham; "Lincoln's Offer of a Command to Garibaldi," by H. Nelson Gay; "The Sale of the Mammoth Western." A Story, by Will N. Harben; "Grieg the Man," by William Peters; "For Value Received," by Mark Lee Luther; "Superstitions of the Past." II., by Andre Saglio; "Mars as the Abode of Life." First Paper: The Genesis of a World," by Percival Lowell; "Examples of American Portraiture." XVIII., by David Bispham; "Automobile Problems. Some of the Rights and Wrongs of the Horseless Vehicle," by Henry B. Anderson; "Mme. Bressler-Gianola," by Richard Aldrich; "The Shuttle." XIII., by Frances Hodgson Burnett.

Casualty, Surety and Miscellaneous

Casualty Notes.

—The Phœnix Indemnity Company of Denver has gone out of business.

—John F. Wood of Indianapolis has been appointed special agent for the Norwich and London Accident.

—The Security Casualty Company of Indianapolis has secured W. H. Schrader, formally Indiana State agent of the Pacific Mutual Life, to manage its accident department.

—Announcement has been made that A. Z. Banta has been appointed chief accountant for the Casualty Company of America, succeeding Robert G. Hazeltine, resigned.

—C. H. Brackett has resigned as vice-president of the Federal Casualty to accept the position of Indiana State manager of the Continental Casualty, with headquarters in the Knights of Pythias building, Indianapolis.

—For the first seventeen days of October the Travelers paid in benefits to accident policyholders at the rate of $3283 a day. In the nine months—January 1 to October 1—the company paid for death, $325,077; indemnity, $623,728; total, $948,806.

—Frank Kohler, well known formerly as general agent of the John Hancock Mutual Life, and later with the Great Eastern Casualty, who some months ago went into the service of the Empire State Surety, has now resigned from that position.

—The Southern Savings Life, which sells accident policies from slot machines, is placing 2000 machines along the line of the Rock Island Railway. The company will also operate in Canada through the Imperial Guarantee and Accident Company.

—The organization of the American Life and Accident Insurance Company of Salisbury, Mo., is nearing completion. The company will have $100,000 capital and $25,000 surplus. J. F. Cooper, manager of the United Protective Society of Salisbury, will be president of the new company.

—R. S. Keelor, whose resignation as secretary of the Philadelphia Casualty Company was announced last week, has been elected fourth vice-president of the Empire State Surety Company, and manager of all the casualty departments of the company.

—Wallace & McVelty of Kansas City, Mo., have dissolved partnership, all the companies represented by them being transferred to James B. Wallace. This agency represents the Metropolitan Casualty, United Surety as general agents for Missouri and Kansas, and as local agents for the Virginia State and the Sun.

—Last Wednesday the stockholders of the Ohio Casualty Company of Columbus elected W. D. Brickell, president; Frank R. Shinn, treasurer; Tod B. Galloway, secretary; O. R. Farrer, vice-president and general manager; John R. Horts, general counsel, and W. U. Cole, medical director. The company is ready to begin business at once.

Surety Notes.

—H. B. Platt, vice-president of the Fidelity and Deposit Company, and manager of its New York office, is seriously ill with typhoid fever.

—J. H. Wenneman of Cleveland, formerly with the Metropolitan Surety, becomes general agent of the Illinois Surety for Northern Ohio, succeeding Frank R. Blakeslee.

—T. C. Moore, formerly superintendent of agencies of the Aachen and Munich, goes with the German-American of New York as Canadian superintendent of agencies, with headquarters at Toronto.

TOO LATE FOR CLASSIFICATION.

—The stockholders of the Bankers Life of New York have voted to increase the capital stock of the company from $100,000 to $200,000.

—The Kentucky Court of Appeals has upheld the decision of the Louisville court that the sole agency rule of the Louisville Board of Fire Underwriters is illegal and in restraint of trade.

—F. B. Carpenter, of the Boston fire agency firm of Geo. O. Carpenter & Son, died on Monday last, after a long illness. He was at one time president of the Boston Board of Fire Underwriters.

—John M. Boggs has resigned as vice-president and agency manager of the Philadelphia Casualty Company, and Clarence M. Brown has been elected vice-president to succeed Mr. Boggs. Robert B. Armstrong, president of the company, will have full charge of the agency department.

—The Attorney-General of Missouri has recently rendered an opinion upon the coinsurance clause, in which he construes the words, "entire risk," as used in the seventeenth line of Section 1642, Revised laws of 1905, as amended by Chapter 446 of the Laws of 1907, to include any policy which covers the contents of a building, as well as the building itself, where the aggregate of the risk on the two items (building and contents) amounts to more than $20,000.

—E. H. Bisset has been appointed manager of the Canada Life for Michigan, with headquarters at Detroit. For the past fifteen years he has been connected with the Eastern Ontario branch of the company, under Manager H. C. Cox, and since 1903 has been city manager for Toronto. He was the first president of the Life Underwriters Association of Toronto. His promotion is well deserved, and those who met him at Toronto during the last meeting of the National Association of Life Underwriters can readily comprehend that Detroit has gained a prize.

The Insurance Year Book.

The Post Magazine and Insurance Monitor of London thus refers to the fire and marine volume of The Insurance Year Book for 1907:

Like the companion volume dealing with life and casualty insurance, this compilation is crammed with valuable facts in a concise form. The first 400 pages or so enable an enquirer to form a fair idea of the financial status of practically all the home and foreign fire and marine offices operating in the United States. The latest statement of assets and liabilities, a synopsis of the company's figures for the last five years, a detailed list of the investments held, together with important miscellaneous details, are given in the majority of instances; while in the case of British companies, for example, the experience of the United States business is set out. Another 500 pages is taken up with The Spectator Company's unique reports on the water supply and fire department equipment of the cities, towns and villages of the United States and Canada.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, $7; book only, $5; monthly supplement only, $2 per annum.

The Alliance Assurance Company, London, England.

The Alliance of London will withdraw from the United States at the end of the current year. This action is taken mainly because of the treatment the company received in some quarters owing to its attitude toward claims arising from the San Francisco conflagration.

American Fire Insurance Company, Philadelphia, Pa.

A meeting of the shareholders of this company will be held late in December to take action on the proposed reduction of the capital stock from $500,000 to $200,000.

American Underwriters Agency.

Under the above title, the Austin Fire and the Commonwealth Fire of Dallas, Tex., are arranging to issue a joint policy in States where both companies are operating.

Assurance Company of America, New York.

This company will resume business in the near future, confining its operations mainly to special classes and writing through the home office.

Continental Insurance Company, Mannheim, Germany.

This company, which is supposed to be writing surplus business in this country, is controlled by the Mannheim Insurance Company, a reputable institution transacting marine insurance in the United States. The Continental's financial statement as of June 30, 1906, shows its nominal capital 2,000,000 marks, of which twenty-five per cent has been paid in in cash, the balance being repre-

sented by stockholders' subscriptions. The total cash assets on the above-mentioned date amounted to $553,240, which, together with stockholders' obligations, aggregated $928,240. The liabilities, exclusive of capital paid in and stockholders' subscriptions, were $228,014, and the net surplus and undivided profits $140,226.

Druggists Indemnity Exchange, Cincinnati, Ohio.

This is an inter-insurance organization recently organized at Cincinnati. It is reported that John W. Daugherty, secretary of the Mercantile Town Mutual of St. Louis, will manage the concern.

Eastern Underwriters, New York.

Under the above title, the Liberty Mutual and the Lincoln Mutual, both of Philadelphia, will issue policies. James B. Coryell is president of both companies, which write surplus lines outside of Pennsylvania through brokers in New York and Philadelphia.

Equitable Fire Underwriters, Chicago, Ill.

It appears that this Lloyds, which, it is believed, has been dormant for some time, is again issuing policies. John L. Lucas, with address at 184 La Salle street, is, or was, attorney for this association.

The Excelsior Fire Insurance Company, New York.

The New York State Insurance Department has commenced an examination of the Excelsior Fire, which started business a few months ago, with $200,000 capital and $100,000 surplus. President Armstrong stated that $138,000 of the company's funds are deposited with the Borough Bank of Brooklyn, which, together with some other banking institutions, suspended payment during the recent financial crisis. He, however, expresses every confidence in the ability of the bank to speedily open its doors and resume payment to depositors.

Fonciere Insurance Company, Paris, France.

Otto Kelsey, Superintendent of Insurance of the New York State Department, has admitted the above-named company to transact ocean marine business in New York State. The company has deposited $200,000 with the Department.

Gotham Fire Assurance Corporation, New York.

Notice of intention to incorporate this company has been published by interests identified with the Guarantee Fire Insurance Company of New York. Karl W. Lefler of 71 Nassau street is attorney for the incorporators.

Guarantee Fire Insurance Company, New York.

Publication has been made of intention to incorporate this company by interests identified with the Gotham Fire Assurance Corporation. Karl W. Lefler. 71 Nassau street, is attorney for the incorporators.

Humboldt Fire Insurance Company, Allegheny, Pa.

The directors of this company have voted in favor of increasing the capital stock from $200,000 to $300,000, and selling the new stock at 200 per cent, thus adding $100,000 to the company's surplus.

Inland Fire Insurance Company, Spokane, Wash.

This company is to reorganize on a stock basis, with a capital of $200,000, $150,000 of which is reported as being subscribed. George D. Needy, president of the company, has resigned, and it is rumored that Edward C. Arnold, the secretary, will succeed him.

International Fire and Marine Insurance Company, Philadelphia, Pa.

Plans for the organization of this company are assuming definite shape, and it is stated that application for a charter will soon be made. The initial capital stock will amount to $500,000, although it is the intention of the directors to eventually increase this to $5,000,000. Those principally interested in the new company are Irvin Zimmerman, Henry H. Brown and Edward Norris.

Manufacturers Fire Underwriters, Philadelphia, Pa.

The Kensington Mutual, Reserve Mutual and the Traders Mutual insurance companies, all of Philadelphia, operate under the above title. Two sets of policies are issued by these companies, one for use in Pennsylvania and the other outside that State, the principal difference being in the clauses relating to the assessment liability of members.

Mercantile Town Mutual Insurance Company, St. Louis, Mo.

Superintendent Vandiver of Missouri recently notified this company to remedy certain matters about which complaints were made, within sixty days. If the company fails to comply, it is stated that the Superintendent will ask the Attorney-General to proceed against the company, with a view to winding up its affairs. Mr. Vandiver claims that guaranty stock in the company to the extent of over $60,000 has been sold, but only $17,500 deposited with the Missouri Department.

Mississquoi and Rouville Mutual Fire Insurance Company, Frelighsburg, Canada.

This company, which is writing surplus lines in this country through a reputable New York broker, issues a statement as of August 31, 1907, showing the following condition: Total cash assets, $97,421; balance premium notes, $59,021; total assets, $156,442; total liabilities, $69,966; net surplus, $86,476.

Monarch Assurance Company, Ltd., London, England.

This company is reported to be soliciting surplus lines in this country. No definite information regarding the company's financial condition can be obtained at present.

National British and Irish Millers Insurance Company, Ltd., London, England.

The balance sheet of this company as of June 30, 1907, shows assets aggregating £96,073, including £12,258 of agents' balances (net); £1747 in cash; £537 worth of furniture (less depreciation); £17,089 representing purchase of business of old company; £1251 balance of expenses in connection with the reconstruction of the company; £2919 owing by sundry debtors, and the balance in bonds and stocks of various governments and corporations, carried at cost. The capital subscribed was £311,225, of which the sum of £62,245 had been called up. The reserve for unexpired risks was £6997; reserve for depreciation of investments, £1052; general reserve, £6754, and sundry creditors, £11,706. After deducting an interim dividend of £1854, the balance of revenue account was £7319. The year's net premiums were £27,989; losses, £9024 (32.2 per cent); expenses, £8093 (28.9 per cent).

New Amsterdam Fire Insurance Company, New York.

This company, which is being organized by Charles A. Hull, is expected to commence business in November.

New Hampshire Fire Insurance Company, Manchester, N. H.

At a special meeting of the stockholders of this company recently held at the home office in Manchester, a resolution was adopted increasing the capital stock from $1,000,000 to $1,100,000; the new stock to be paid in at 150 per cent.

New York American Mutual Fire Insurance Company, The Dalles, Ore.

This is a mutual company licensed by the Oregon Insurance Department. Edward J. Perkins is president, and J. A. Douthit, secretary.

Ocean Marine Insurance Company, London.

The North British and Mercantile of London takes over this company on January 1, 1908, paying the shareholders £525,000 in four per cent debentures, equal to £13.2.6 per share. The Ocean Marine will be continued as a separate institution.

Peoples National Fire Insurance Company, Philadelphia, Pa.

The first organization meeting of the board of directors of this company was recently held at Philadelphia. Louis S. Amonson was elected president; James B. Coryell, vice-president, and Geo. B. Wells, secretary pro tem. At the conclusion of the meeting $20,000 was subscribed to complete the amount required to commence business.

Rimouski Fire Insurance Company, Rimouski, P. Q.

This company, which was formerly the Rimouski Temiscouata and Kamouraska Mutual Fire Insurance Company, has reincorporated under the title of the Rimouski Fire. Its statement as of August 17, 1907, shows the following condition: Total cash assets, $404,494; stockholders' capital stock uncalled, $112,492; total $516,986. Liabilities: Reserve for unearned premiums, $51,500; surplus to policyholders, $465,486. The company is writing through McLean, Stinson & Co., Ltd., of Toronto, whose representative in this country is Eugene I. Wile of Chicago.

Roger Williams Fire and Marine Insurance Company, Providence, R. I.

At a recent meeting of the stockholders of this company it was decided to authorize the board of directors to increase the capital stock of the company from $100,000 to $200,000. The new issue will be sold at not less than 150 per cent.

Security Mutual Fire Insurance Company, Chatfield, Minn.

This company has appointed W. L. Pettibone & Co. of New York as its general agents for territory outside of Minnesota and North Dakota (in which two States it is regularly licensed) for the writing of surplus lines. The company's statement as of June 30, 1907, shows assets as follows: Cash in office and bank, $1647; certificates of deposit, $14,000; first mortgage loans, $12,550; accrued interest, $924; net premiums in course of collection, $8471; net premium notes, $938; railroad mileage, $40; furniture, fixtures and supplies, $2300; total, $40,870. Its liabilities included $1500 for a resisted loss; $4139 for other losses; $415 for salaries; $21,480 of reinsurance reserve, and $781 of other liabilities, making a total of $28,316, and leaving a surplus (including furniture, etc.) of $12,554. In addition, the company had $95,473 of contingent assets. Its insurance in force aggregated $5,323,531.

Star Fire Insurance Company, Louisville, Ken.

The Star Fire has reinsured its Eastern, Southern and Western business in the Southern of New Orleans. It will continue business only in its home territory, covering Kentucky and Tennessee.

United States Merchants Mutual Fire Insurance Company, Philadelphia, Pa.

This company was incorporated recently under the mutual laws of Pennsylvania. The officers are: President, Clawson Backman; vice-president, John L. Bates; treasurer, Henry Drake; secretary. R. J. Faust, Jr. A man bearing the name of Clawson Backman was formerly president of four co-operative companies at Syracuse. N. Y., the American Mutual, Mohawk Mutual, Reliable Mutual and Union Mutual Fire insurance companies.

THE SPECTATOR:

THE SPECTATOR, *established in 1868, is a weekly journal devoted to promoting the best interests of trustworthy insurance of all kinds. The subscription price for the United States, Canada and Mexico is Four Dollars per annum, postage prepaid. To all foreign countries in the Postal Union, Five Dollars per annum.*

THE SPECTATOR *has a larger circulation than any other insurance journal—and carries no "deadhead" subscriptions.*

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VOL. LXXIX. *THURSDAY, NOV.* 14, 1907. No. 20.

SOME interest has been excited among life insurance companies over a discovery that section 695 of the revised statutes of South Dakota provides that companies operating in that State must have on deposit with the proper official of their home State, or of South Dakota, securities equal to the net reserve on all policies by the American Mortality Table at four and one-half per cent or by the Actuaries' four. As a matter of fact, that particular section was enacted in 1890, and thus far has been a dead letter. However, the attention of the Insurance Commissioner has now been called to it, and he has ruled that its intent is to compel the deposit with some State official of the reserve on the basis required by the act. It may be that, as South Dakota now has two small mutual companies of its own, they may have stirred up the subject, or possibly some of the companies of Iowa, Indiana or Illinois which maintain deposits in their home States have just discovered this seventeen-year-old statute. If it is enforced, the largest companies operating in South Dakota will be confronted with the proposition of withdrawing from that field or requesting their own State Departments to accept deposits of securities aggregating many hundred millions of dollars in values. The latter alternative would involve much useless expenditure both on the part of the companies and of the State, for the vault accommodation at the home offices of the companies is infinitely superior and safer than that at the capitol buildings of, say, New York, Massachusetts and Wisconsin.

* * * * *

The value of these reserve deposit laws has always been a question of doubt, which doubt grows as the assets of the company increase. Certainly there can be no saving to the policyholders in having the securities representing the reserve values of their policies deposited in a vault under the control of a State official instead of in the home office, and in the case of a company having a large volume of reserve the delay in transferring securities at times may be dangerous and involve financial loss. When a company files its annual statement with schedules of securities, any Department has it in its power to verify the schedules by comparison with the securities in the company's own vaults, and may do so without previous notification, so that there is no particular safeguard in having the securities on deposit at the State capitol. Some companies have used the deposit law as an argument with policyholders and prospects that the State itself stood behind every contract, a species of misrepresentation which of itself should condemn the law. The experience of sixty years has shown that the managers of life insurance companies are quite as honest and capable of taking care of the securities as any State official, and can certainly do it at less cost to the policyholder, whose interests the State official is always supposed to be looking out for, but which he seldom conserves until too late.

THE extent to which the life insurance companies contributed to relieve the money stringency will never be known, for in addition to the millions poured into the New York city financial institutions in the purchase of bonds for which there was no market at the time, many corporations and individuals were enabled to tide over their difficulties through the money they received from life insurance companies. A single instance that has come to our knowledge will illustrate how this was done: A large manufacturing company in the West, doing a business amounting to millions of dollars annually, had maturing obligations that they were obliged to meet or go into bankruptcy. Their assets were largely in excess of their liabilities, and large sums were due them from their customers. They tried by every means to make collections, even sending representatives to their customers and imploring them to pay at least a portion of their indebtedness, but without avail, for every one was suffering from the money stringency. Three members of the firm carried large amounts of insurance upon their lives in the Northwestern Mutual of Milwaukee, and as a last resort went to the company and asked to make a loan upon them. The cash value of the policies was figured out, and in the course of a few hours actual, tangible money approaching the sum of $100,000 was handed to the gentlemen, who were greatly rejoiced thereat. With this actual cash in hand the firm was enabled to meet its obligations and thus spared the humiliation of going through bankruptcy. We have heard of other instances where money was borrowed on smaller policies, and the pressing necessities of their owners relieved thereby. In this way the life companies came to the relief of their patrons in most trying emergencies to an extent that can never be known. This is one of the practical benefits afforded by life insurance outside of the protection it provides for families and others who are made beneficiaries. A life insurance policy always has an actual cash value, and there is no hesitation on the part of the issuing company in producing the money when desired. They always have cash on hand in abundance, and, as there can be no run upon them, they are not subject to the sudden demands of an excited multitude.

THE financial crisis of the past few weeks, now happily at an end, is attributed to the scarcity of money, and a sudden demand for it that was made upon banks and trust companies by their depositors, who had become frightened without just cause. There were runs upon some of these institutions lasting for some ten days, during which period

hundreds of depositors stood in line day and night awaiting an opportunity to present their demands at the paying tellers' windows. In many instances some persons were in line three days continuously, day and night, in rain and cold, holding their places with a grim tenacity of purpose worthy of a better cause. These institutions were solvent beyond question, but did not have sufficient ready money to meet all demands, and in the condition of the market could not sell even government bonds for cash at any reasonable price. It was a critical period not only for New York city, but the entire country, and all the financial strength of banks, trust companies and individuals was brought to bear to avert widespread disaster. Some insurance companies were among those who came to the rescue, and, with their ready cash, purchased some of the securities the banks were unable to dispose of elsewhere. Several millions of dollars were reported to have been thus invested by insurance companies, giving prompt and valuable assistance to the institutions that were being sorely pressed. National banks and trust companies are regarded as the backbone of the financial and industrial interests of the country, but in emergencies they are glad to avail themselves of the assistance of the insurance companies, that are known to be trustworthy and abundantly supplied with funds with which to meet all claims against them. The investment of these funds engages the best financial talent to be found, and the co-operation of the men in charge of their affairs is eagerly sought by the financial world. Banks and trust companies may be subjected to heavy runs at any time, and their existence imperiled by the very men who have put their trust in them, but a run upon a life insurance company is an impossibility from the very nature of its business. A raid upon their millions of accumulated assets is a thing not to be conceived of. Every policyholder is absolutely sure of receiving what is due under his policy when it becomes a claim, and he takes no risk of the company being put out of business by a crowd of eager and angry claimants. A life insurance policy is the best and surest investment a person can make.

DURING the past week or two the Insurance Commissioner of Colorado has revoked the licenses of two stock fire insurance companies, and has threatened another with a suspension of its authority to operate in the State. The revocation of the license of the Union of Philadelphia appears to have occurred without previous notice to the company that such action was contemplated, and was nominally done because of the existence of a contract whereby San Francisco losses assumed by the Underwriters Securities Corporation might be reimbursed out of the future profits of the Union. However, as this contract had been fully and satisfactorily explained to the Colorado Department in August, 1906, and was known to numerous other Departments, none of which considered it a proper item to be reported among liabilities, the recent action of the Colorado Department in this matter is the more astonishing. As to the revocation of the license of the Guardian of Pittsburg, because of an alleged impairment occasioned by the marking down of the valuation of certain real estate, it may be said that if the original valuation was satisfactory to the New York and Pennsylvania Departments, it might safely have been accepted as correct by the Colorado Department. We fail to see that the people of Colorado will derive any benefit from a decrease in reliable fire insurance facilities occasioned by hair-splitting technicalities.

TEN months of the current year have passed into history, and have resulted in fire losses in the United States and Canada far in excess of the losses in any preceding corresponding period, except in years which witnessed great conflagrations. The losses thus far this year have aggregated $180,765,300, according to the records of The Journal of Commerce, which indicates a total for the year of about $217,000,000. As the losses in 1905, which was a year of normal losses, were about $175,000,000, it is manifest that fire underwriters will be obliged to adjust their ideas, and their premium rates, to the basis of an expectation of $200,000,000 or more of fire losses per annum. This is a terrible yearly waste of property, but it would probably have been much larger but for the encouragement offered by the insurance interests to propertyowners and municipal authorities, which has led to greater safeguarding of property from fire than would have obtained without the incentives held out by the fire insurance companies. However, there is still much room for improvement in this respect, and public officials would do well to hold those responsible for fires more strictly accountable therefor.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

The New York Commercial announces the appointment of Arthur E. Harrell as associate editor of its insurance department, under L. Walter Sammis. Mr. Harrell has been connected with insurance newspaper work for a number of years, and should add materially to the strength of the daily insurance column.

Louis N. Geldert, for many years with The Insurance Herald of Atlanta, Ga., has entered the service of The New York Insurance Journal as general manager and assistant to Mrs. Grace Kempson, who will edit the paper. Mr. Geldert is well known to all classes of insurance men and should be able to represent the business end of the paper in a befitting manner.

A meeting of the Association of Life Insurance Presidents will be held in New York city on December 6, when a number of addresses will be presented.

The Fellowship of Solidarity has declined reinsurance propositions submitted to it and started on a new lease of life. Wm. A. Fricke has been elected president and Elmer H. Dearth, vice-president, and they will push the business vigorously from now on.

The affairs of the Provident Savings Life, so far as its stock control is concerned, are still unsettled. E. R. Thomas has not yet been able to procure the release of all the notes given by the Philadelphia syndicate, although it is expected that all will be arranged in a few days. The report of the examination of the society is nearly completed, and Commissioner Rittenhouse of Colorado is in New York to receive it.

BOSTON AND VICINITY.

The new Massachusetts law authorizing savings banks to do life insurance business went into effect the 1st inst., but thus far but one bank has announced that it will avail itself of the privilege. State Actuary Hunter is preparing standard policy forms, on a participating basis, with rates lower than those of industrial companies. The industrial companies do not fear competition from this source. In fact,

they predict that it will fall flat, for the reason that the industrial class of insurers are not those who will voluntarily go to an office or bank and pay their premiums, but require the regular attention of collectors. Aside from the unpopularity of the scheme among savings bank men, the opinion of insurance men is that it won't work.

NOTES FROM PHILADELPHIA.

Thomas D. Poole, well known in the life insurance field here, has been appointed to succeed the Manhattan Trust Security Company as manager of the Royal Union Mutual Life of Des Moines for this territory. His offices are in the Stephen Girard building.

In order to stimulate the accident and health business for the closing months of 1907, the Philadelphia Casualty Company is offering as a cash prize a receipt in full for each and every tenth application received at the new city office of the company at No. 138 South Fourth street, and a further prize of $50 in cash to the agent writing the greatest volume of business.

On Wednesday of last week the board of trustees of the Penn Mutual Life elected John Bancroft of Wilmington, Del., a prominent manufacturer and director of several financial institutions, a member to fill a vacancy in the board. At the same meeting, Assistant Actuary J. Burnett Gibb was elected actuary of the company, dating from January 1, 1908, to succeed Jesse Barker, who has resigned owing to ill health. George R. White and Oliver W .Perrin has been appointed assistant actuaries.

It is understood that the Philadelphia Casualty Company, in order to boom the plate glass business, is offering to guarantee each assured the same low price for his insurance for two years in succession, and if no loss is sustained during that period to issue the succeeding renewal for a period of fifteen months at the same premium.

Thomas P. Cummings, Philadelphia branch manager of the Ætna Indemnity, is about again almost entirely recovered from the operation he recently underwent for appendicitis.

THE MIDDLE STATES.

—The New York Life reports over $16,000,000 of new business written during the month of October, and the limit of $150,000,000 for the year seems to be in sight.

—In the first twelve weeks following the announcement of the new non-participating policies by the Prudential over $24,000,000 of new business was written, and the agency force is still keeping up the pace.

—During October the Security Mutual Life of Binghamton, N. Y., wrote a larger business than in any month since April last, and the prospects are bright for an increased volume during the remainder of the year. The company has just put out two forms of policy with premiums payable during the productive period of life, one on the life and the other on the endowment form. Both contracts are on the standard form prescribed by the State of New York, and should prove easy sellers.

THE WEST.

Pioneer Life Insurance Company of North Dakota.

The Pioneer Life Insurance Company of North Dakota, at Fargo, N. D., with William C. MacFadden as president, and L. D. Corbett as secretary and general manager, has completed its organization on the stock basis, and commenced to issue policies on October 1, on the North Dakota standard forms, non-participating. These policies were drawn by Frederic S. Withington, consulting actuary of Des Moines, Iowa, and have been approved by the Commissioner of Insurance for the State. They follow closely the standard forms recommended by the Committee of Fifteen, but the rates and values are calculated in the North Dakota modified preliminary term standard, American experience, 3½ per cent, the modification on the said standard being by the Sprague method on the whole life basis, and requiring, therefore, a higher reserve than that finally recommended by the committee, which was the preliminary term, modified by the same method on the twenty-premium life basis.

The company has a strong agency force, and numbers among its directors the Hon. John Burke, Governor of the State; the Hon. E. Y. Searles, ex-Governor, and State Senators L. B. Hanna, Geo. H. Young, Fred Leutz, Ed. Pierce and other prominent citizens. Being the first old line company to organize in the State, and issuing, from its organization, only the standard forms of policy, non-participating, its career will be watched with interest.

—Jay H. Upton, secretary of the Conservative Mutual Life of Portland, Ore., has resigned, and G. L. MacGibbon, president of the American National Bank of Portland, has been elected to fill the vacancy.

—The Peoria Life Insurance Company has been chartered as a legal reserve company, with $100,000 capital and $50,000 surplus, to succeed the Peoria Life Association, which operated on the assessment plan. The incorporators of the new company are: President, E. J. Case; secretary, Warren Sutliff, and general manager, G. W. Van Fleet of the old association, and George C. Clark, E. N. Woodruff, Emmet C. May, J. B. Wolfenbarger, G. W. Parker and R. A. Schriver.

—The Inter-State Fiscal Agency Company has sued the Kansas City Life for $200,000 damages because of alleged breach of contract. In relation to the suit, J. B. Reynolds, president of the Kansas City Life, said: "The company formerly had agency contracts with J. C. Wilson and A. L. Davis, covering Kansas and Oklahoma, but never at any time had a contract with the Inter-State Fiscal Agency Company. The agency company was formed by J. C. Wilson and others as a separate and independent business enterprise, and nobody connected with the Kansas City Life Insurance Company ever had any interest in it. The contracts held by Wilson and Davis, which were of the ordinary kind and subject to cancellation for cause at the pleasure of the company, were terminated by the company for good and sufficient reasons on September 17. Further, Mr. Wilson consented in writing to the cancellation of these contracts. The suit is absolutely without merit, and I attach no importance to it."

THE SOUTH.

—The Mutual Reserve Life has been reinstated in Mississippi and its license renewed.

—The Insurance Commissioner of Texas has canceled the license of the Keystone Guard of Athens, Pa.

—The organization of policyholders of the Mutual Reserve Life, which began in Louisiana and Mississippi, is assuming a national character.

—The Commissioner of Insurance of Texas has received a skeleton copy of the brief to be used in testing the constitutionality of the Robertson law. The test case will be filed about January 1, when the law goes into effect.

—Lumpkin & Torrance, Georgia representatives of the New England Mutual Life, have dissolved partnership. Mr. Lumpkin has purchased the interest of Mr. Torrance, and will represent the company in Georgia as general agent.

—Everett Wagner, vice-president and general manager of the Meridian Life and Trust, has been on a business trip through West Virginia. On November 8 Mr. Wagner held an enthusiastic agency meeting at Charleston. Business is prospering with the Meridian, and it has recently put on eight new agents in West Virginia, ten in Indiana, three in Alabama and six in Georgia.

—The National Life of the United States of America announces the appointment of S. C. Bolling to its agency force. Mr. Bolling will assume charge of several of the Southern States. His contract dates from November 1, and he is already in the Southern territory visiting the general agents and making plans for extension and an aggressive campaign in the field. Mr. Bolling will conduct his work direct from the home office in Chicago for the present, devoting most of his time, however, to active field operations.

—Insurance Commissioner Love of Texas has issued the following statement regarding his recent ruling in relation to the guaranteed annual dividend policy of the Great Western Life of Kansas City: "At the request of the officers and the attorney of the company, I submitted my ruling that the further writing of this policy would not be permitted, to the Attorney-General's department, which sustained my position in the premises. At a conference held afterward it was agreed that the company should hereafter have the following statement printed conspicuously or stamped on the face of all applications taken by its agents for such policies and upon the face of each policy: 'This is not an annual dividend policy. The guaranteed annual dividend provided for represents simply the repayment of a stipulated amount of the premium collected, and not a participation in the profits of the company.' With this statement conspicuously displayed upon the face of the application and the policy, the Attorney-General's department and the Insurance Department agree that it may be lawfully written."

Canvassing on Paid Claims Pays.

An assistant of the Prudential calls attention to the wisdom and profitableness of canvassing on paid claims in the following letter to the home office:

John B. Anderson was insured under policy No. 23,497,481 late in August, and was killed after four weeks had elapsed. The claim was paid promptly. We have written $2.10 industrial during the last two weeks among the deceased's relatives, and have closed considerable business among the neighbors by telling them of the prompt settlement of the claim referred to. I have also closed $1000 ordinary on another claim, and I have prospects for several thousand among the relatives of the last claimant. It pays to be prompt every time!

MISCELLANEOUS LIFE NEWS.

Life Insurance Law Chart.

EDITION OF 1907-1908.

The Spectator Company takes pleasure in announcing the publication of a most valuable reference chart, showiug at a glance the statutory requirements of each of the fifty States and Territories of the United States and Canada so far as they affect life insurance companies of other States.

The Life Insurance Law Chart shows in complete and comprehensive form the requirements as to taxation, agents, policy forms, examinations, valuations and publications under the following column headings:

Annual Fees, Company License.
Total other Fees.
Expiration Company License.
Fees for Agents' Licenses and Date of Expiration, Local General or Special.
Resident Agents' Law.
Reciprocal Law.
Attorney for Service.
Company Examinations, When Fee.
Valuation of Policies, Basis Fee.
Non-forfeiture.
Policy Form or Provisions.
Surplus Distribution Periods.
Anti-Discrimination.
Statements, Final Date for Filing Annual Tax.
Legal Publications, No. of Papers. No. of Times.
State Tax and Final Date for Payment, Premium. Any Other.
Local Taxation.
Regulations Governing Advertisements.
Bond to State, Agent or Company.
Warranty Defined.
Miscellaneous Provisions.

In many of the columns the existence or non-existence of the statute covered by the heading is indicated by yes or no, while in others N. P., meaning no provision, is the term used. The headings quoted above cover every provision with which a life insurance company has to comply, the fiual column, "Miscellaneous Provisions," being devoted to such special laws in the various States as bear upon the contract, the condition of the company or unusual requirements of the laws.

The Life Insurance Law Chart is compiled for The Spectator Company, by A. R. Fullerton, an expert insurance man, whose duties for many years have been to keep the large life insurance company with which he is connected informed upon every phase of the legal requirements throughout the country, in which capacity he has become an expert, and consequently this publication is absolutely authentic. Much of the information disclosed by it is not found in the official insurance laws at all, the corporation, tax and general laws all having been carefully studied so that everything of importance might be included.

The chart is printed on excellent bond paper, is twenty-one inches wide, with a proportionate depth or length, and is brass tipped at top and bottom, so that it may be hung in a convenient and conspicuous place for ready reference.

Its usefulness to company managers, heads of departments and agents can readily be determined from a glance at the headings printed herewith, and every department of a life insurauce company whose duties bring it in contact with legal requirements should have The Life Insurance Law Chart constantly in sight. Inasmuch as many of the requirements are common to life, casualty and surety companies, the latter class will also be able to make use of it. Price, $3.00 per copy. Address all orders to The Spectator Company, 135 William street, New York.

INDUSTRIAL INSURANCE

Baltimore Forging Ahead.

The Baltimore district of the Prudential, under Superintendent N. W. Kenney, stands second in industrial production for the present year. Recently the district celebrated two anniversaries; that of Agent Gardner, twenty years, and Superintendent Kenney, ten years. The result was that with nine assistants and forty-five agents, the staff wrote 771 industrial applications, for $62.58, the advance payments aggregating $72.11. In addition, $18,500 of ordinary was written, also eleven revivals, for $1. C. A. Allen's assistancy led the pace with 147 applications, and M. D. Cohen came next with 117.

Business Every Day.

Agents Sullivan and Epps, of the Life Insurance Company of Virginia, at Roanoke, have both written business each day for the past eight weeks, but failed to score on Saturday, October 26. Agents Bell of Roanoke, and Thurman of Atlanta, were able to keep going and now have the record-breaking score of nine weeks with something doing every day in each. Brown of Atlanta is only one week behind their record, and Agent Howard of Salisbury has four weeks to his credit.

Allentown Heard From.

The Prudential men of Allentown, Pa., were conducting a campaign of their own, which was highly productive. During one week in October they determined to do three things: to mark the company's thirty-second anniversary; to honor their esteemed superintendent, Stanford Painter, and to beat their own best record. The result was that they wrote 791 industrial applications for $64.56, and collected in advance $99.06. Besides this there was $6,500 ordinary and some revivals. The mark set for the week was twelve applications per man.

Among the Non-Lapsers.

Agent Tucker, of the Life Insurance Company of Virginia, at Newport News, has just passed his thirteenth week without recording a lapse. Rogers of Piedmont has kept a clean score for seven weeks. Baird of Petersburg and Perkins of Shreveport are in the six weeks' class, and Curley of Charlotte has entered upon his sixth week. Beside all these there are eleven industrious workers who have warded off the lapse for four weeks.

—The Prudential's superintendency leaders in ordinary production for the year are: J. R. Russell, Pittsburg 1; H. R. Kendall, Louisville; A. X. Schmitt, Chicago 2; Z. T. Miller, New York 8; C. M. Yoder, Philadelphia 5.

—Including the week of October 28, the Prudential leaders in industrial are: G. S. Wainwright, Washington; V. W. Kenney, Baltimore 3; A. X. Schmitt, Chicago 2; J. Pauer, McKeesport, and J. S. Kendall, Chicago 1.

—J. L. Coyle, the new superintendent of the Prudential at Hartford, was enthusiastically welcomed by the staff at a meeting held last month. Numerous pledges of support were given, so that everything looks bright for a good wind-up of the year in Hartford.

—The Prudential has opened a new superintendency at Parsons, Kan., which will be in charge of B. R. Cosby. The new district will cover Pittsburg, Kan., and Coffeyville. Mr. Cosby has been with the company since December, 1903, and he has risen steadily in the ranks.

—The following Prudential men have been advanced to the rank of assistant: H. H. Ostrander, Waterbury; H. Reif, Philadelphia 6; S. C. Graham, Dubois; O. A. Faulhaber, Erie; H. W. Choate, Toledo; F. E. Headington, Muncie; G. B. Schranck, Norristown; C. F. Hockmyer, St. Paul.

—E. W. Cranmer, detached assistant manager of the Colonial at Harrisburg, has been advanced to the full managership. S. C. Millard has been advanced to the managership of the Reading district. J. P. Boyle of Newburg and Charles W. Johnson of New York have been advanced to assistancies. Assistant A. P. G. Viglezzi has been transferred from New York to South Philadelphia.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

The complaints of the brokers of dull business are echoed by the companies. The striking thing about the season is that the holiday trade is having but slight effect upon the demand for new lines. Usually the trade stocks for the next six or seven weeks produces orders for large lines for a few months at short rates, which are regarded by the companies and agencies as the cream of the year. Nearly all the trades are represented in these short rate orders, and the scarcity this year is quite a factor in the closing of the twelve months' business.

The companies won a lawsuit through the verdict of a jury in this city a few weeks ago under rather remarkable circumstances. The owner of a down-town stock sued for total loss on the contents of an iron safe. He was in the gold pen and pencil case manufacturing, and claimed that the loss on safe contents was total, because the salvage only represented the margin between value and insurance and left him without indemnity. The adjusters differed with him on the facts, and although a compromise would have been agreed to by the companies in all probability, the owner was obstinate and sued for his loss. He told an improbable story and the jury returned a verdict for the companies.

The Exchange meeting appointed for yesterday was expected to consider a recommendation to abolish the pattern clause now mandatory according to the hand-book. Unfortunately, the mandate of the

Exchange was not always obeyed; and with some companies policies with and some without it, there was always, in event of loss, confusion in the adjustment arising from non-concurrent policies. Beside this evil, the clause, to some extent, was in conflict with the standard policy. With the coinsurance requirements, the former evils of the failure to limit the amount on patterns was minimized, and the companies have been appealed to by the rate committee to consider the question of giving it up. There are instances on record, however, when the companies using the pattern clause have largely benefited by its operation in loss adjustments.

The necessity of reconciling the apparent discrepancies between the electric light certificates issued by the Exchange and the New York Board is forced upon the companies by the protest of a Newark company. This company suffered by a defective electric installation, chiefly caused by a change in the equipment. Whereas the Board's old certificate forbid any change without the written consent on the certificate, the Exchange reduced the prohibition to notice of a change without specification, whether it should be verbal or written. In the case before the Newark company, the changes were made without any written notice and disputed claim of verbal notices. The company has called the attention of the Exchange to the omission and it is likely to be incorporated in future certificates.

It is understood the executive committee of the National Board has turned down the request of the loss committee to transfer their liability for the rent of the old rooms, formerly occupied in the Mutual Life building, to the rooms at present occupied by the loss committee.

The practice of overzealous brokers in approaching merchants and manufacturers with requests to call for copies of their rate schedule from the Exchange, is often the means of disturbing rates quite annoying to the principals. The overzealous chaps profess to be able with the schedules in hand to pick flaws in the charges, and thus promote or procure reductions. The result is usually the reverse. Upon application for revised rates a new survey is made, and it is astonishing what a large proportion of such new surveys reveal defects not previously recorded. These defects, or the charges for them, exceed all possible credits for errors. The veteran brokers who have been educated by these experiences, hold up their hands in terror when a revision is proposed—unless important improvements have taken place within a recent period.

Several English Lloyds policies written through Chicago brokers' offices were caught in the recent fire in the Great Northern elevator A, at West Superior, Wis. It was a sprinklered risk and ranked high in the elevator grades. Several of the small domestic companies also participated in the same loss.

The automobile exhibition at Madison Square garden last week absorbed a very large amount of fire insurance while it lasted. A few of the high-priced machines, we learn, were uninsured owing to the eighty per cent coinsurance clause, but nine-tenths of the whole number were liberally insured. It was decided that the blanket policies issued by marine companies under the floater forms applied to the risks in the Garden, and, considering how many of the machines were covered by floaters, the thought of a possible conflagration must have been quite appalling to some of the offices interested.

About $2,000,000 insurance on the gold brought here last week by the "Lusitania" was insured in American offices and the balance insured abroad, both in London and on the Continent. As the amount reported on board was about $12,000,000, this was a concentration of values on one hull probably never before equaled in the history of marine underwriting.

Many of the lake marine contracts on hulls have been written to expire to-morrow, and the officials of the companies are happy.

The Globe and Rutgers Fire has reinsured the remaining annual business of the New Jersey Fire.

The New England Fire of Providence, R. I., has been admitted to transact business in New York State, and has appointed Kelly & Fuller its Metropolitan district managers. T. A. Duffey is general agent of the company.

BOSTON AND VICINITY.

It is understood that the Boston Board of Fire Underwriters will not, as has been generally supposed, elected a permanent secretary to succeed the late Osborne Howes at the approaching annual meeting.

General Frederick B. Carpenter, head of the fire insurance agency of George O. Carpenter & Son, who died last week after an illness of several months, was born in Wakefield, Mass., April 21, 1862. At the age of eighteen he entered the fire insurance office of his father, the late Major George O. Carpenter. Three years later he was made special agent of a leading company and two years thereafter he became a member of the firm. Since the death of his father he has been the head of the business. He had been president of the Boston Board of Fire Underwriters and of the Boston Protective Department, vice-president and a member of the executive committee of the New England Insurance Exchange, treasurer of the New England Bureau of United Inspection and president and trustee of the Insurance Library Association. Mr. Carpenter had long been identified with military affairs. He served on the staff of Governor Bates, and he was retained by Governor Guild, having the rank of brigadier-general. He was a member of the Boston Chamber of Commerce, of the New York and several other yacht and social clubs. Mr. Carpenter is survived by a wife and two children, a son and daughter.

Charles O. Bouve, a well-known Boston insurance agent, died last Sunday at the age of fifty-four.

NOTES FROM PHILADELPHIA.

Councils electrical committee has appropriated $373,547 toward modernizing the fire alarm equipment of this city.

Irwin Layman, who for some time has been in charge of schedule ratings of the Philadelphia Fire Underwriters Association, has resigned to connect himself with the agency of Robert M. Coyle.

Billington, Hutchinson & Co. have been appointed the Philadelphia representatives of the Eagle Fire, succeeding Stone, Mathews & Co.

The list of signers of the Philadelphia agreement has been changed by the addition of the names of Haughton & Smith and Stokes & Packard as representatives of the California; J. Howard Brown & Co. as agents for the Hawkeye, and Joseph T. Sill for the Sun of New Orleans, and the removal of the name of S. D. Hawley & Son as agents of the Hawkeye.

Crittenden & Swope become second agents for the Queen.

M. C. Rhome of Williamsport, Pa., has been appointed receiver of the Lumbermens and Merchants Mutual Fire of that city.

Lewis Green and Leon Swartz were convicted recently of the charge of arson, in having set fire to the building 105-107 South Third street, where they were in business as manufacturers of pants. Their attorney has applied for a new trial.

Agitation for lower insurance rates by residents of Atlantic City, N. J., has followed the reports that the city's total fire loss during the past year was only $15,118, with a total insurance loss of $11,157. There were 200 alarms of fire, and $4,214,000 in property value was threatened. Twelve engine and truck companies with 135 regular firemen cost the city $155,000.

Francis H. Taggart died suddenly at his home in West Chester, where he carried on insurance business in a small way.

At auction recently eighty-four shares of stock of the Lumbermens realized $65 per share. At the same time two shares of stock of the Fire Association brought $310 per share.

Regarding the action of the Colorado Insurance Commissioner in revoking the license of the Union, President William Muir says that the company is not impaired through its reinsurance of San Francisco business, and that the order must have come through some misunderstanding on the part of the Commissioner. He has asked that the subject be reopened, and fully expects that the order will be repealed.

On October 30 the organization board of directors of the Peoples National Fire Insurance Company, which Louis S. Amonson of this city has been organizing, met and elected Mr. Amonson chairman; Col. James B. Coryell, vice-president, and George B. Wells, secretary

pro tem. Stock subscriptions now aggregate $200,000, and it is proposed later to increase the capital to $1,000,000 and maintain a surplus of equal amount. The executive committee is composed of most prominent business men of Philadelphia, New York, Pittsburg, Camden and Atlantic City.

J. T. Birdsall has been appointed sole agent for the American National Insurance Company of Rock Island, Ill., for the Philadelphia and suburban field.

THE WEST.

Ohio Notes.

[From Our Own Correspondent.]

Complaints have been coming from Hamilton for the past few days because of the increased rates under the new tariff that has just been issued by the Ohio Inspection Bureau. In some instances, it is said, the advance is seventy-five per cent over the old rates.

Fire Marshals from seven States met with Fire Marshal S. D. Creamer recently, and made arrangements to form an organization of these officials. The members of the new association will use their influence to secure the enactment of uniform laws in the twelve States that now have Fire Marshals, and will also endeavor to extend the system to other States. In this way they expect to make it more difficult for firebugs to escape the law's net. Those in attendance were Frank A. Craft, Mitchell, S. D.; Edward Peterson, St. Paul; T. M. Purtell, Madison, Wis.; D. B. Haggerty, New Orleans; Mort Ayers, Louisville; Lloyd T. Gill, Baltimore, and D. S. Creamer, Columbus. O. M. C.

Cleveland, November 9.

Dexter M. Ferry Dead.

Dexter Mason Ferry, president of the Michigan Fire and Marine, and the Standard Life and Accident, and head of the prominent seed house of Ferry & Company, died last Monday of heart disease. Mr. Ferry was born in Lowville, N. Y., and went to Detroit in 1852. In 1867 he founded what has since become one of the greatest seed houses in the United States. He was a director of the First National Bank of Detroit, Union Trust Company and several other corporations. Mr. Ferry was chairman of the Republican State central committee for two years, and a delegate at large to the National Republican Convention which nominated McKinley for President.

—The occupation tax of $15 per annum imposed by the municipal authorities of Kingfisher, Okla., has been reduced to $5.50.

—Whittlesey Adams, a local fire insurance agent at Warren, Ohio, recently celebrated his fiftieth anniversary in the insurance business in that town.

—The Indianapolis Fire has appointed O. E. Greene of Union City its special agent in Indiana, assisting State Agent E. C. McCauley.

—Three delegates from each State nest of the order of the Blue Goose will meet in Chicago on Saturday to establish a national grand nest and elect officers therefor.

—The Indiana Association of Underwriters (Union companies) has elected the following officers: President, H. B. Heywood; vice-president, John Fitzgerald; secretary and treasurer, James M. McBeth.

—Charles W. Grossan, special agent of the Citizens of St. Louis, who recently resigned to become underwriting manager of the Iowa State of Keokuk, was the guest of honor at a dinner recently given by field men of Missouri and Kansas.

—P. F. Willis, Missouri special agent of the Providence Washington, has resigned to become inspector for the Insurance Agency Company of St. Louis, succeeding Stewart McDonald, who resigned to go into the automobile business.

—Six witnesses were examined last week at Jefferson City in the hearing on the charge that fire insurance companies were violating the Missouri anti-trust law. The hearing was adjourned indefinitely, and will probably be resumed at St. Louis.

—W. E. Dunlop, for many years special agent in the office of C. D. Cobb & Co., general agents at Denver, Col., died recently at Salida, Col. The deceased was a brother of Vice-President C. D. Dunlop of the Providence Washington.

—William Deans, special agent of the Hanover Fire for the mountain field, has been given jurisdiction of the company's business in Washington, Oregon, Idaho, Montana and Utah, with headquarters at Portland. W. G. Fortman will be Mr. Dean's assistant.

—Delegate Edgar J. Adams of Grand Rapids, Mich., has introduced a radical proposition before the constitutional convention at Lansing, Mich. He proposes that the State of Michigan be empowered to go into the fire, life and accident insurance business.

—D. M. Martin & Co. has incorporated its agency at Omaha, Neb., and moved into new offices at 209 South Thirteenth street, especially built for the company's home. The company has recently been appointed exclusive agent for the Walla Walla Fire of Walla Walla, Wash., and has been given the general agency of the General Accident Fire and Life Assurance Corporation, Ltd., of Philadelphia, Pa., for the State of Nebraska and Western Iowa.

—On January 1 W. L. Steele will succeed his present chief, I. S. Blackwelder, in the management of the Western department of the Niagara Fire. W. L. Singleton of Toledo, Ohio, and Kentucky State agent of the company, will be appointed assistant manager.

MISCELLANEOUS FIRE NEWS.

Semmann's Fire Insurance Cancellation Tables.

One of the handiest office helps which has yet been devised to simplify the work of fire insurance agents and clerks is "Semmann's Fire Insurance Cancellation Tables" for accurate and rapid calculation of return and earned premiums. It is so arranged that the number of days elapsed between the date of issue of a policy and the date of its cancellation may be quickly and easily ascertained, while another quick reference gives the percentage of premiums earned in black figures and the percentage unearned in red figures, either pro rata or at short rates. These references are made almost instantaneously, for the entire book is thumb-indexed by months and by numbers of days, the pages for the first year each containing one month's data, and those for the second and third years each two month's dates and percentages. The fact that only the right hand pages are utilized still further facilitates the application of these tables to their daily work by busy men. The type is large and clear, and the system is so simple, yet practical, that five minutes' study is sufficient to enable the average agent to familiarize himself with its operation. The manager of one prominent company, who ordered 500 copies of these tables for his agents, described them as being "valuable tables, put up in most concise and attractive order." Later, he wrote:

> We have received advices to the effect that they are the most accurate and best tables prepared, and our special agents are writing special requests for additional copies; we, therefore, have no cause to regret the expense incurred. Personally, I think the tables are excellent, and I am satisfied when they are carefully examined will be appreciated and in much demand from agents and companies generally.

These tables are in book form, of a convenient size for the pocket, bound in red leather and thumb-indexed. Examination will show that they might well be supplied to their agents by companies as well as being used in head offices. The price is $1 per copy, and the tables may be procured from The Spectator Company, 135 William street, New York.

—A. G. Hancock of Baltimore has been appointed general agent of the Union of Buffalo for the District of Columbia and West Virginia.

—The Supreme Court of South Carolina has handed down a decision, declaring the firemen's benefit tax act of that State unconstitutional.

—November meetings of the National Fire Protection Association committees will be held at the New York office of the association, 29 West Thirty-ninth street, as follows: Executive committee, November 19; committee on automatic sprinklers, November 20; committee on devices and materials, November 21 and 22.

—The National Association of Local Fire Insurance Agents is calling the attention of the companies to the question of incorporated agencies, and requesting suggestions thereon. It also brings up for consideration the recommendation by the association of a uniform flat and contingent commission on all classes of business throughout the country. The secretary has also reminded presidents of State associations that committees on legislation and grievances should be appointed where none exist, and that the National Association's "rule of business equity between agents" as to the "ownership of expirations" should be adopted. The National Association is also following up the multiple agency matter through the various State organizations.

—The Pennsylvania Casualty Company's year-end campaign and the competition for membership in the "Legion of Honor" is creating a vast amount of interest and enthusiasm among the agents of the company. All agents securing a membership in the "Legion of Honor" will visit Scranton at the company's expense at the formal opening of its handsome new home office building, provided the company writes the amount of paid-for business called for on October 1 at the opening of the year-end campaign. Each agent is kept posted as to the progress of the competition; a mailing card or circular being mailed every Saturday giving the results for the week. The company reports a handsome increase in business as a result of the competitiou.

Casualty, Surety and Miscellaneous

M. J. M'Closkey Elected President.

M. J. M'Closkey, fourth vice-president of the Metropolitan Surety Company, has been elected to the presidency of that corporation. Previous to Mr. M'Closkey's election to the fourth vice-presidency, he was assistant secretary and attorney, and later secretary.

Frank A. Condon, third vice-president and treasurer of the company, will retire from the company, and Hon. David McClure, the former president, will also retire to resume his law practice, the demands of which will make it impossible for him to continue his executive connection with the Metropolitan.

Mr. M'Closkey is thirty-two years old, and was educated in New York city, receiving the degree of A. B. from Manhattan College, and L. L. B. from New York Law School. He was admitted to the New York Bar in 1897, and to the Federal Courts in 1900. Mr. M'Closkey's former connections with the insurance business have been with the United States Fidelity and Guaranty Company, and the Ætna Indemnity Company. He was sometime ago placed in charge of the underwriting policy of the Metropolitan, and at the close of last year the company was able to show a premium income of over $390,000.

Death of Ralph Butler.

The insurance community will be grieved and shocked to hear that Ralph Butler, secretary and general manager of the Central Accident Insurance Company of Pittsburg, died on November 9. Mr. Butler's death occurred after a period of ill health, which had lasted over a year. The deceased was born in Elmira, N. Y., and for thirty years represented the Travelers Insurance Company at Rochester. In 1895 he went to Pittsburg and organized the Central Accident Insurance Company, which he developed into one of the leading companies in its line, with a premium income of over half a million dollars annually. Mr. Butler was fifty-nine years old and had been one of the most energetic and progressive men in the casualty underwriting business. At every gathering of casualty insurance men he was to be found working untiringly in the interests of his chosen profession. In the passing away of Ralph Butler the insurance fraternity has lost a progressive spirit, an untiring worker and a sincere friend.

Casualty Notes.

—The Ætna Accident and Liability has been licensed in Iowa.

—Joseph B. Pierce, secretary of the Hartford Steam Boiler, is suffering from an attack of pneumonia.

—The Fidelity and Casualty Company has issued a new line of liability policies, which will be placed on the market on December 1.

—Irving L. Wiltsie has been appointed manager of the S. M. Ferris Agency, Cincinnati, general agents of the Casualty Company of America and the National Surety.

—A. W. Buell of Denver has been elected president of the German American Indemnity Company of Denver, which has just been organized to write accident insurance.

—H. G. B. Alexander, president of the International Association of Accident Underwriters, has appointed A. E. Forrest, Edson S. Lott and A. W. Masters as the George E. McNeill medal committee.

—Vice-President Nichols of the Pennsylvania Casualty Company has just completed a three weeks' trip, during which he visited nearly all of the company's general agencies in the Southern States. Mr. Nichols reports every one enthusiastic over the company's year-end campaign and a splendid volume of business in sight.

—The board of directors of the Philadelphia Casualty Company has accepted the resignation of John M. Boggs, vice-president and agency manager. Clarence M. Brown, a member of the board and a prominent Philadelphia attorney, was elected vice-president to succeed Mr. Boggs. President Armstrong assumes at once full charge of the agency department.

—Somewhat more than fifty insurance company inspectors have been examined for the positions of boiler inspectors under the act of the Massachusetts Legislature of 1907. This act lays down strict requirements for the construction of steam boilers, and provides for their internal and external inspection, at least once a year. This law will become operative on and after the first day of May, 1908.

Surety Notes.

—Victor H. Boydon of Raleigh, N. C., has resigned the general agency of the National Surety in Eastern North Carolina. He will hereafter represent the company locally at Raleigh.

—G. R. Griffin & Co., Boston, have, it is reported, resigned the general agency for Massachusetts and Rhode Island of the United Surety of Baltimore, and have been appointed general agents for Massachusetts, New Hampshire, Vermont and Maine of the Title Guaranty and Surety of Scranton, Pa.

—During the recent financial flurry, State Controller Glynn of New York announced that, until further notice, he would accept from banks wherein State funds were deposited the depository bonds of the following companies only: American Surety, Fidelity and Casualty, National Surety all of New York, the Fidelity and Deposit and United States Fidelity and Guaranty of Baltimore. In a recent publication of this list the name of one company was inadvertently omitted, and some agents have been using the statement to its disadvantage. That sort of competition ought to be vigorously discouraged by managers.

TOO LATE FOR CLASSIFICATION.

—The Boston Board of Fire Underwriters has elected E. C. Brush, president.

—Insurance rates at Buffalo, N. Y., have been reduced 15 per cent. The reduction takes effect from October 1.

—Fred T. Newell of Atlanta, Ga., has been appointed manager of the Springfield (Mass.) office of the Columbian National Life.

—H. L. Platt of Fulton, N. Y., has been appointed special agent of the Georgia Home in New York and Ohio, reporting to T. W. Eutis, the company's general agent at Chicago.

—Having resigned as head of the Indianapolis Fire Inspection Bureau, to take effect January 15 next, Thornton M. Goodloe has begun the organization of the Fire Protection Engineering Company of Indianapolis, of which he will be manager.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, $7; book only, $5; monthly supplement only, $2 per annum.

Atlanta-Birmingham Fire Insurance Company. Prudential Fire Insurance Company.

John M. Slaton of Atlanta, Ga., special master in the receivership case of the above-named companies, has addressed a communication to claimants, in which he states that the percentage for general creditors under the terms of an agreement—copy of which he incloses—will be between 40 and 50 per cent. The date of hearing before the master has been fixed for December 10.

Beaver State Merchants Mutual Fire Insurance Association, Portland, Ore.

A mutual bearing the above title has been organized at Portland, Ore. The president is D. C. Burns, and the secretary, C. B. Merrick.

California Fire Insurance Company, San Francisco, Cal.

This company's financial statement as of October 1, 1907, shows the following: Assets, $651,216; reinsurance reserve, $209,233; net surplus, $122,056; capital, paid up, $283,750. It is expected that by January 1, 1908, the capital will be $400,000 and the net surplus $200,000.

Citizens Mutual Fire Insurance Company, Jackson, Mich.

By an opinion of the Supreme Court, the receiver of this company has been confirmed in his right to assess policyholders to pay outstanding indebtedness.

Delaware Mutual Fire Insurance Company, Wilmington, Del.

This company has been organized by a number of Wilmington business men. The officers are: Alfred Gawthorp, president; Walter L. Butler, treasurer, and Charles D. Cox, secretary and general manager.

Eastern Underwriters, Philadelphia, Pa.

Under this title the Liberty Mutual Fire Insurance Company and the Lincoln Mutual Fire Insurance Company, both of Philadelphia, write a joint policy under the same management as that of the individual companies. The Eastern Underwriters is represented by W. L. Pettibone & Co. of New York, and writes carefully selected lines of surplus business on risks in which the constituent companies are not interested. We are advised that the policy contract is similar to that of a well-known underwriters agency, and that it has the sanction of the Pennsylvania Insurance Department. The Pennsylvania insurance report states that, in addition to cash assets, each of the companies named has "a 'guarantee agreement' providing that ten guarantors shall pay on demand within ten days any call pro rata of $50,000 to pay losses with."

Guardian Fire Insurance Company, Pittsburg, Pa.

The Colorado license of this company has been revoked, the examiner of the Colorado Insurance Department having reported the company's capital to be impaired to the extent of $52,519. This impairment is due to the appraisal of the company's real estate in New York at $25,000 less than the company's valuation, and the appraisal of its Pittsburg property at $35,000 less than it was carried at in the company's statement. The State Insurance Departments of New York and Pennsylvania had apparently considered the company's previous valuations as fair.

Indiana State Fire Insurance Company, Indianapolis, Ind.

As of September 1, 1907, this company, which is a mutual, shows the following condition: Cash assets, $29,601; premium notes, $103,970; reinsurance reserve, $7145; net cash surplus, $21,552.

Merchants Fire Insurance Company, Little Rock, Ark.

The reinsurance contract whereby the Illinois National Fire of Springfield, Ill., took over the outstanding risks of the Merchants Fire, has been canceled.

Property Owners of Glencoe and Cook County Mutual Fire Insurance Company, Glencoe, Ill.

The Illinois Insurance Department has issued a license to this company. It is organized under the county mutual act, and takes in a number of citizens in the western part of Cook county. H. J. Peaster of Glencoe promoted the company.

Pennsylvania Fire Insurance Company, Philadelphia.

The Insurance Commissioner of Colorado, under date of October 26, 1907, notified this company that it had fifteen days from the date of receipt of his letter in which to show cause why its authority to do business in Colorado should not be suspended for a period not exceeding six months. The Commissioner charged the company with violating the State laws by filing an incorrect statement, in reporting as cash an item of about $390,000, which represented a sum placed to the company's credit with bankers at the end of 1906, as the result of a sale to them of certain assets securing reinsurance originally due from the Union Insurance Company (but assumed by the Underwriters Securities Corporation), and which assets were repurchased from the bankers eleven days later. In the course of a letter to the Colorado Commissioner protesting against the threatened suspension of authority, President Benson made the following statements:

"We respectfully contend that the amount representing the obligation of the trust company was an active and secured claim due this corporation, interest upon which was and is being paid regularly semi-annually.

"That the corporation was clearly within its legal rights when it converted the said claim into cash, and that such conversion did not constitute the amount of that claim into a liability, as ruled by your Department, for the proceeds of the sale, and equal in amount to the face of the claim, was 'deposited in banks,' interest paid on it as a deposit, as the records of this corporation show, and which was exhibited to you by the secretary.

"We respectfully contend that there was no intention to deceive the Department; the object to be attained was of an entirely different character.

"The claim against the Union Insurance Company for reinsurance had been assumed by another corporation, not an insurance company, the amount of the claim was in process of determination and adjustment, and not complete (being in excess of the amount stated) at the date of the annual statement. The contract or obligation at that date was not in default—in fact, there was every reason to suppose that it would be largely or in whole liquidated at the date agreed upon, as a large payment had been made on account. The collateral to secure the claim was the shares of the capital stock of an insurance company, and therefore would not be acceptable as collateral in some of the States, but that does not affect the commercial value of the collateral. The value of the collateral in that it represented more than a majority of the capital stock of the company had a much greater value than the market value of the shares of the stock, in that it carried practically the control of the company represented.

"Under these conditions and considerations, it was in the interest of the corporation not only to have this claim included in the assets, but more important that the collateral to secure the claim should, for the time being, be protected and not publicly be reported. Further, it was deemed proper that this corporation should be magnanimous and lenient (the fact that a large payment had been made on the claim exhibiting the intent to liquidate), and that heroic or drastic measures should not be instituted that might thereby crush an honorable corporation, subjected to an unexpected and providential disaster not usual to underwriting in fire insurance, for the Union Insurance Company has had an honorable career, for over a century has been protecting its clientele by payment of millions in losses, and has never defaulted.

"For these reasons the corporation elected to convert that asset into cash, and what was deemed an honorable plan was effected to carry this into effect, as stated. Whether the sale carried a verbal privilege to repurchase does not affect the question as to whether the amount involved should be converted into a liability.

"We therefore contend that the officers of the corporation did not violate their oath in reporting the assets of the corporation as of December 31, 1906; that the assets as reported were correct, and that no other liability existed than as they had reported, and were not $400,000 less, as stated in the letter of the Department of Colorado.

"We respectfully contend that no injustice or injury has or will come to the insuring public of Colorado—that the corporation did possess the assets as reported.

"We therefore respectfully contend that the Department of Colorado was in error in ruling that there existed a liability of the corporation not included in the annual statement referred to; that there was no intention to misrepresent the amount of admitted assets on the part of the officers of this corporation, consequently no penalty should be enforced.

"We have laid your letter before the Insurance Department of the State of Pennsylvania, with statement substantially and verbally as above, and we understand that the corporation is authorized to state that that Department accepts the view as we have attempted to state it, and will communicate with your Department in that tenor."

Southern Millers Mutual Fire Insurance Company, St. Louis, Mo.

Owing to unfavorable experience during the past year, this company has reinsured its policies in the Millers Mutual Fire of Harrisburg, Pa.

Traders Insurance Company, Chicago, Ill.

The State Bank of Chicago, receiver for the Traders, has sent out 24,000 dividend checks, representing $2,250,000, to creditors of that company. Claims still being allowed, and the number will probably reach 27,000.

United Fire and Marine Insurance Company, Oakland, Cal.

This company is in process of organization at Oakland, Cal. It will have a capital stock of $200,000, and is being promoted by Albert G. Rockel and George D. and W. H. Shadburne, local agents in Oakland.

Union Insurance Company, Philadelphia, Pa.

A bulletin issued by the Colorado Insurance Department, dated October 30, 1907, contained the following statement regarding this company:

"The certificate of authority of this company to do business in Colorado has been revoked. The investigation made by this Department shows that this company suffered losses to the amount of about $530,000 in the San Francisco conflagration. It owed this amount to the Pennsylvania Fire Insurance Company on reinsurance contracts. Inasmuch as the capital and surplus of the Union Company as reported in the last annual statement amounted to but $325,801.36, this indebtedness made the company insolvent. The Union Company was owned by a holding company known as the General Trust Company. This company contracted to pay the indebtedness to the Pennsylvania Company, but at the same time made a contract with the Union Company wherein the latter promised to pay the Trust Company the amount of the loss, this indebtedness to be paid from the surplus of the Union Company on demand of the Trust Company. The Trust Company defaulted on its second payment to the Pennsylvania Company, which made the Union stock (collateral) the property of the Pennsylvania Company, to be sold to liquidate the balance of the indebtedness."

President Muir of the Union Insurance Company, on November 2, replied to the Colorado Commissioner's notification of revocation, requesting reconsideration, and explaining certain matters upon which the Commissioner laid stress. Among the statements made by President Muir are the following (the "Securities Corporation" referred to being the Underwriters Securities Corporation, under which title the General Trust Company was reincorporated):

"You quote the section of the contract whereby the Union Insurance Company agrees to pay to the Securities Corporation such sums, out of the surplus only, as the "Securities Corporation may demand, in payment of the California loss. We submit to you that this does not and cannot mean that the Securities Corporation would make any more or greater demands upon the 'Union' than would any body of stockholders, the assumption being strongly and convincingly to the contrary, as all stockholders are actuated by the same motives, viz.:

"To leave with the company all the surplus that is required, or that is thought advisable, in order to secure the business growth and prosperity of the company.

"We grant you that you make the point later that the Securities Corporation has lost its ownership of the majority of the stock of the 'Union,' and now has a motive for demanding the surplus as it is earned. The facts are, however, that the Securities Corporation has not lost its ownership of its stock of the 'Union,' and this condition deduced by you does not exist.

"The Securities Corporation has, as your examiner states, pledged the 'Union's' stock as security for the payment of the California loss, and while it has not complied with the exact terms of its pledge, it has continued its liability to the satisfaction of the Pennsylvania Fire Insurance Company (its creditor), and the ownership of the 'Union' stock continues with the Securities Corporation, subject (as originally) to the payment, eventually, of the amount due.

"You state: 'It might be said that so long as the Securities Corporation owned your (the Union) company, it would be to its interest to allow your (the Union's) surplus to accumulate,' and we state to you that this is the fact, that the Securities Corporation does own the 'Union,' and it is to its vital interest to allow the 'Union's' surplus to accumulate.

"Your examiner, in his report, also points out that the Securities Corporation has not even demanded enough to pay the interest, which fact, coupled with our statement, should prove to you that the Securities Corporation holds the interest of the 'Union' paramount, as would any body of stockholders interested in seeing their company grow and prosper.

"Furthermore, copies of the California loss contracts were sent to a number of Insurance Departments, and none of these Departments have heretofore raised this point, that the California loss should be included in our statement as a liability, from which non-action we infer that they recognize the existing situation as do we, viz.: that it is a liability to stockholders, no greater than any other liability of any other company's surplus to any other body of stockholders.

"The Insurance Department of Pennsylvania and other Insurance Departments of other States, with full knowledge of the California loss contract, have never stipulated that such contract should be made a part of the 'Union's' annual statement, and we do not think that your Department, upon more full investigation and consideration of this matter, will take any other view of it, as the contract in question in no way gives to stockholders any greater rights over the surplus earnings of the company than has every stockholder in the surplus of any other insurance (or other) company.

"You will permit us to remark that we believe your revocation of the license of this company is based principally upon your misunderstanding as to the relation of the Underwriters Securities Corporation to the Union Insurance Company. The Underwriters Securities Corporation is not a holding company in the sense that it holds the stock of the 'Union' under any trustee terms or plans, but is a stockholder out and out, having purchased the stock of the 'Union' in the same way as would any other stockholder, and holds such stock of the 'Union' as an investment, with every interest and inducement to safeguard, foster and encourage the growth and prosperity of the company.

"The present stockholding interest of the 'Union' has made every arrangement to keep this honorable one-hundred-year-old company actively in business, and asks only for time and encouragement in its worthy efforts. You have in your hands great power to do this company infinite harm, and we trust that you will reconsider this question in the light of the further information which this letter contains.

"We find in our office a carbon copy of a letter which we wrote you on August 30, 1906, explaining our stockholders' action in taking up the California loss of the company, to which we received your acknowledgment of September 4, 1906, accepting the explanation as satisfactory, and there has at no time been any concealment of this action, nor any criticism made by any other Insurance Department of this action."

It is noticeable that, although it is stated in the bulletin issued by the Colorado Department that "this indebtedness made the company insolvent," the examiner in his report only enters as a direct liability the sum which would ordinarily have been presented as net surplus, making the total assets equal the total liabilities, including capital, and thus showing no impairment whatever of capital.

The Union's Minnesota license has also been canceled.

The Union will request an examination to be made by the Insurance Departments of Pennsylvania, Massachusetts, New York and Michigan. An officer of the company is quoted as saying:

"If there are any irregularities, they will be straightened out. If more money is needed it will be forthcoming without delay. One thing is sure—you may say with all possible emphasis that the Union Insurance Company will stay in business, and that agents and policyholders need have no uneasiness on that score."

SURETY, PLATE GLASS AND OTHER MISCELLANEOUS INSURANCE FORMS.

The Spectator Company will shortly publish a manual dealing with miscellaneous forms of insurance, covering the following: Surety, fidelity, plate glass, burglary, credit, physicians', druggists' and dentists' liability, general water damage, sprinkler damage, title guarantee, fly-wheel and strike insurance.

This matter will first be published in the current issues of THE SPECTATOR, and afterward made up into book form for the information and use of managers, agents, and brokers interested in the miscellaneous forms of insurance, and for policyholders.

We shall in early issues discuss the subject of fidelity and surety bonds, and follow later with articles treating of the other forms mentioned above.

FIDELITY AND SURETY BONDS.

Hints to Agents Taking Applications—Bonds Issued to Cover Nearly Every Occupation—Required by the Government, States, Municipalities and the Courts to Protect Them from Loss—Samples of Applications and Form of Bonds.

FIRST ARTICLE.

The public generally has a fair knowledge of fire and life insurance and the indemnity guaranteed by policies issued by the companies transacting such business, but is not so well informed regarding numerous other forms of insurance in vogue in commercial and business circles. These forms are so numerous that a person can obtain policies covering nearly every contingency that may arise in the course of his business.

In the article herewith it is the purpose of THE SPECTATOR to briefly outline the characteristics of some of these forms of fidelity and surety insurance that are less generally well known, and in subsequent articles to continue the list until every form of insurance has been concisely explained. Samples of applications and forms of policies for the more important branches of this class of insurance are presented.

HINTS TO AGENTS AND BROKERS.

A few hints may be conveyed most effectively by suggesting to agents and brokers:

DON'T look down on your calling.

DON'T advocate any company in which you have not perfect confidence.

DON'T rebate any part of your commission. You earn it as fairly as the merchant charges his profit.

DON'T understate the cost of insurance in the first instance. When the fact is known, you are likely to lose the risk.

DON'T endeavor to secure business by traducing a competing company. It is likely to react. Speak fairly of all good companies, but maintain your own attitude by all legitimate argument.

DON'T use too much literature or leave copies of contracts to be considered. They are liable to get into your competitor's hands and give him an opportunity of worsting you.

DON'T forget that your object is to close with your client for his insurance. While talking, lead him on to give you the necessary information to fill up the application, which will be ready for his signature before you leave him.

DON'T neglect to post yourself on current casualties and recent happenings in the business. Keep yourself up to date.

FIDELITY AND SURETY BONDS.

A fidelity bond undertakes to indemnify for loss by failure to account for and turn over all money and property belonging to the employer when called upon, or to faithfully perform the duties and trusts incident to the position of the employment.

Such bonds are issued in every business or appointment where persons are entrusted with the care or handling of funds or valuables, or where persons become responsible for payment of taxes or duties. Fidelity bonds are required for—

Agents (fire, life and miscellaneous).

Associations (building and loan), including president, treasurer, secretary, collectors and clerks.

Banks and Trust Companies.—Cashiers, tellers, collectors and clerks.

Coal Companies.—Branch managers, collectors or agents.

Corporations.—Officers and employees.

Clubs.—Treasurer, steward or cashier.

Drivers of delivery wagons.

Express Companies.—Officers and employees.

Foreign Corporations.—Officers and employees.

Fraternal Orders.—Officers, directors and trustees.

Government officials.

Grain Elevator Companies.—Officers and employees.

Hotels.— Managers, cashiers and employees.

Instalment Houses.—Salesmen and collectors.

Insurance Companies.—Officers and employees.

Lumber Companies.—Branch manager or agent.

Mercantile and Manufacturing Houses.—Officers and employees.

Steamship Companies.—Agent and purser.

Railroads.—Ticket agents, sellers and employees.

Post Office Employees.—Carriers, inspectors and clerks.

Telegraph and Cable Companies.—Officers and employees.

CARE MUST BE TAKEN IN FILLING OUT APPLICATIONS.

Two applications are generally required before issuing a fidelity bond; the one filled in by the employer, the other by the employee. Much delay and annoyance will be saved if the agent will recognize that the questions in the applications must be answered fully and without reservation. Any facts brought to light subsequent to the filing of the application and which should have been answered therein may prejudice the case and possibly result in the bond being refused. Also, no question should be passed over unanswered. Proper care in attending to these matters is amply repaid by prompt action in dealing with the applications, which at best is likely to be regarded as tedious, owing to the very thorough inquiries that are made by the company.

The premium is based upon the amount of the bond, but the rates vary with different companies, even on the same class of risk, so that no general idea can be suggested regarding the cost.

MISREPRESENTATION MAKES A BOND VOID.

It should be noted that the answers of the employer form a very important part of the contract. If any person authorized to sign on his behalf makes a statement that the duties of the person bonded are properly conducted and that his accounts are examined and found correct, recovery cannot be had under the bond if, when a loss occurs, these statements are found to be false. Further, any requirement for periodical independent auditing of the accounts must be maintained during the term of the bond.

If an application designate an employee in one employment, such as secretary or treasurer, the bond does not cover any transactions of that employee in another occupation.

In the event of embezzlement, the clause requiring the employer to use due diligence in prosecuting the employee does not necessarily mean that a conviction be secured.

It is important that the answers of both employer and employee be correct. If the employer makes any false answers, it vitiates the bond.

The searching inquiries made of the person to be bonded and the employer in the case of a fidelity bond may be seen from the copy of a blank application herewith. (This form is to be filled out by the person to be bonded.)

APPLICATION FOR FIDELITY INSURANCE.

(This form is to be filled out by the person to be bonded.)

APPLICATION FOR FIDELITY INSURANCE.

in the sum of $..................made by Mr....................of...................(Town and State) as...................(title of position) at...................(business address) in favor of...................(full name or exact style of employer).

The information called for below should be given accurately and completely. All communications to the company in connection with applications are regarded as strictly confidential.

Full name of applicant	Age	Private residence address: How long have you lived there? Where have you previously lived and for what periods?
Born at... (Town and State) on.......................................18.......... How long did you live there?		Do you own or rent the house in which you live, or do you board?

Are you—	How many are dependent upon you for support?	Wife?	No. of children?	Others?
Single?		Ans..........	Ans..........	Ans..........
Married?		Do they reside with you?		
A widower?		Ans..........	Ans..........	Ans..........

How long have you been in the continuous service of the employer requiring this insurance?	In what positions?	Where located?	Date of taking present position requiring this insurance?
			.........., 190....

Shall you be engaged in any business, service, or occupation other than the above? Ans..........
If so, give particulars.

Do you receive any income beyond that of this employment? Ans..........
If so, please state amount and sources..........

Have you ever failed in business or compromised with creditors? Ans..........
If so, state—When,.........., 1......; Where,..........; Business..........;
Name of firm,..........; Assets, $..........; Liabilities, $..........;
Name and present address of Assignee,..........;
Has final settlement been made? Ans.......... If so, on what basis?..........;
Names and addresses of three largest creditors:

Do you own or hold any interest in real estate? Ans.......... In whose name is the title? Ans..........

Location of such realty.	Description.	Value.	Incumbrance.
		$..........	$..........

What is the approximate value of your personal property? $.........., consisting of ....

Have you any debts? Ans.......... If so, give particulars as to

Amounts.	Why incurred.	Names and addresses of creditors.

Are you an endorser or surety for anyone? Ans..........
If so, please give particulars..........

Have there ever been, or are there about to be, any judgments taken against you? Ans..........
If so, please give particulars..........

Are you a member of any club or social organization? Ans..........
If so, please give particulars..........

Have you ever been discharged or suspended from this or any other situation or engagement? Ans..........
If so, when and where?..........

Have you ever been from any cause in arrears or default in your present or in any previous employment? Ans..........
Is any amount due from you to your employer on any account, either current or in arrear? Ans..........
Is your life insured? If so, for what amount, in whose favor, and in what companies or associations?

Your Occupations Throughout the Last Ten Years.

Please give accurately, particulars of your occupations or employments during the past ten years, showing the full disposition of your time, whether you were employed or not. If you were at school or college during any part of the period, give particulars of attendance at each school, with the name and address of your teachers. Begin in the top space with the most recent period If the space here is insufficient, please complete the record on a separate sheet.

The bond will not be issued unless complete information is given in these spaces.

From	To	Full name or exact style (if firm or corporation) of your employer and his business address.	Place Where You Were Located.	Name and Present Address of Your Superintendent.	Nature of Your Position or Occupation.	Why Did You Leave?
Month 190....	*Month* 190....					1
Month 1......	*Month* 1......					2
Month 1......	*Month* 1......					3
Month 18......	*Month* 18......					4
Month 18......	*Month* 18......					
Month 18......	*Month* 18......					6
Month 18......	*Month* 18......					7

If paid by salary, state annual amount and when payable. $.........., payable..........
Will this salary be subject to any fine or reduction?..........
If you are to be remunerated on any other basis, state nature of engagement with amount of probable monthly earnings..........

What assistants or subordinates (if any) will participate in handling the funds or accounts of your office?..........
Are they under bonds?..........

Do you furnish any bond or security in this position in addition to that now applied for? Ans.......... If so, state amount. $..........	Names and addresses of such sureties, personal or corporate.

Have you ever given a bond with personal sureties in any position of trust? Ans.......... If so, when was it in force? From.........., 1......, to.........., 1......
In what position?.......... To whom was the bond payable?..........
Names and addresses of such personal sureties:..........

Have you ever applied to any company for a bond? Ans.......... Was the bond issued?..........
If so, when was it in force? From......, 1...., to......, 1.... To whom was the bond payable?..........
In what position?.......... What company issued the bond?..........

Has any company ever refused to issue or to continue a bond for you? Ans..........
If so, when?.........., 1...... Name of the company..........
On what grounds was the bond refused?..........

References.

Give as references the names and post-office addresses in full of at least four persons well acquainted with you during the past ten or more years and not related to you. They must be persons of good standing in their respective communities. Please do not refer to any officer or fellow employee in the service in which you are engaged, nor to any former employer.

Name.	Profession or Business.	Postal Address in Full. (Street and No. in Cities.)
Mr..........	....	....
Mr..........	....	....
Mr..........	....	....
Mr..........	....	....

Applicant's Parents, if Living, or Other Nearest Relatives.

Name.	Relationship.	Occupation.	Address. (Street and No. in Cities.)

I hereby declare that the foregoing statements are true, and I hereby apply to the.................. Company of New York, hereinafter called the company, for a bond in my behalf of such kind and in such amount as the employer to be named as beneficiary in the said bond may now or hereafter require. I also hereby agree for myself, my heirs, executors, and administrators, to indemnify the company against any losses, damages, costs, charges, and expenses it may sustain, incur, or become liable for in consequence of the said bond or any renewals thereof, or any new bond issued in continuation thereof or as a substitute therefor; and any proper evidence of the payment by the company of any such losses, damages, costs, charges, or expenses shall be conclusive evidence against me, my heirs, executors, and administrators, of the fact and extent of my liability to the company under this agreement. I hereby further agree that the company shall have the right to decline to grant the bond applied for; that, in case the bond is granted, the company shall have the right to withdraw or cancel the bond at any time; that the company shall not be required to disclose the reasons or grounds upon which any action on its part in connection with said bond may be based; and that the company shall not be responsible for any loss or damage that I may suffer by reason of any such action, any statutory provisions to the contrary being hereby expressly waived by me.

Dated and signed at.........., this..........day of.........., 190....
(Town and State.)
In the presence of

.... Witness. .... (Signature in full of the Applicant.)

Employer's Statement.

The employer to be indemnified under the bond herein applied for makes the following statements and answers to.................. Company of New York as the basis in part of the said company's undertaking, in case the bond shall be issued:

The insurance applied for is to cover the applicant in the position or office of.......... at..........in the sum of $.......... It is to take effect from.........., 190...., and will terminate liability as to future acts under any guarantee heretofore issued by the company to the employer in behalf of the applicant.

How long has the applicant been in your service? Since..........
(Enter here, "New employee," when that is true.)

Mention all positions that have been filled by the applicant in your service?..........

Has his employment been uninterrupted? Ans..........
If he has been at any time out of your service, please give particulars..........

Have all the books of account kept, and the moneys and property handled, by the applicant or his predecessor in the position or office to be covered by this insurance, been examined and verified? Ans..........
If so, up to what date? ...., 190....
By whom was the examination made? ....
Was any shortage then, or has any since, been discovered? Ans..........

Has the applicant (if heretofore engaged in your service) uniformly given satisfaction in his personal conduct, faithfully performed his duties, and kept and rendered his accounts correctly and without default?

Is the applicant now, or has he ever been, to your knowledge or belief, from any cause short, in arrears, or in default, in this or any other service, office, or position?

Is there, to your knowledge or belief, any amount due from the applicant to the employer or to any official of the employer?

Signature:..........
((Full name of individual employer or exact style of firm or corporate employer.)
Dated at.........., ..., 190......
By..........
Official Title:..........

The terms of the bond may be learned from the following sample:

FIDELITY BOND.

This bond made this ...... day of ...... 19 .... between ...... hereinafter called the employee, as principal, and the ...... hereinafter called the company, as surety, and ...... hereinafter called the employer,

WITNESSETH:

Whereas, The employer has appointed the employee to the position of ...... in the service of the employer, and

Whereas, The employer requires security of the employee against loss which the employer may sustain by or through the fraud or dishonesty of the employee in the performance of his duties in said position, and

Whereas, The employer and the employee have delivered to the company a statement and warranty in writing relative to the duties and responsibilities of the employee in said position,

Now, Therefore, in consideration of the sum of ...... dollars the company hereby obligates itself and becomes surety for the employee to the employer, and hereby covenants and agrees with the employer, subject to the conditions herein contained, which conditions shall be precedent to the right of the employer to recover under this bond, that it will at the expiration of three months after satisfactory proof of loss under this bond shall have been furnished to the company, make good and reimburse the employer at the home office of the company to an amount not exceeding ...... dollars for any and all pecuniary loss, sustained by the employer by reason of any moneys, bullion, funds, bills of exchange, acceptances, notes, bonds, drafts, mortgages or other valuable securities embezzled, wrongfully abstracted and wilfully misapplied by the employee in the course of his employment in said position or in any other position in the service of the employer to which he may be temporarily appointed, temporarily elected or temporarily assigned during the term commencing on the ...... day of ...... 19 ...., and ending on the ...... day of ...... 19 ......, both days inclusive, and which wrongful act or acts shall have been committed during said term, and discovered within six months after the expiration of said term.

Provided, However, That if the employee during said term die, or retire from or be dismissed from such employment, or if the employer suspend his usual course of business within said term, or if this bond be canceled by the company as hereinafter provided, then in either of such events there shall be no liability on the part of the company unless the loss shall be discovered within six months next thereafter.

THIS BOND IS EXECUTED UPON THE FOLLOWING EXPRESS CONDITIONS:

This company shall not be liable under this bond for any sum or amount whatever, which the employee may at the commencement of the term hereinbefore specified, owe the employer, whether such indebtedness is known to the employer or not; nor shall this company be liable for any failure, neglect or refusal of the employee to repay any debt for money borrowed of the employer.

If at any time after the beginning of the term specified in this bond, the employer suspect, or if there comes to the notice or knowledge of the employer, any act, fact or information tending to show that the employee is unreliable, deceitful, dishonest or unworthy of confidence, the employer shall immediately so notify the company in writing, and if the employer fail or neglect so to do, the company shall not be liable for any act of the employee thereafter committed; and if at any time after the beginning of the term specified in this bond, there comes to the notice or knowledge of the employer the fact that the employee is unreliable, deceitful, dishonest or unworthy of confidence, the company shall not be liable for any act of the employee, thereafter committed; and the employer shall immediately notify the company in writing of such fact, and if the employer fail or neglect so to do, there shall be no liability of the company under this bond.

Upon discovery by the employer that a loss has been sustained, or of facts indicating that a loss has probably been sustained, the employer shall immediately so notify the company in writing, and shall within three months make and furnish to the company sworn proof in writing with a detailed statement showing the amount of moneys, securities or other property embezzled, wrongfully abstracted or willfully misapplied, and the dates of the discovery of all such losses; all sums and credits due the employee, if any; the date when the employee retired or was dismissed from the service of the employer, or, if dead, the date of death, and of all other suretyship against loss through the employee with the names of all companies and persons, their business addresses and the amounts guaranteed by each. and if the employer fail or neglect to give such immediate notice or to make sworn proof of loss within the time specified, there shall be no liability of the company under this bond.

The company upon the execution of this bond shall not thereafter be liable to the employer under any previous bond, the term of which has expired, and which was executed to cover the acts of the employee, except as hereinafter provided; and upon the execution by the company of any new bond, or renewal of this bond, all the obligations of this bond shall immediately cease and determine; it being mutually understood that only the last bond executed shall be in force at one time. Provided, however, that the employer shall have the right to make claim and proof of loss within six months from the expiration of any expired bond for any loss occurring under said expired bond; but it is expressly understood and agreed that if any claim of proof of loss shall be so made under any expired bond during said period of six months, and if loss shall also occur under this bond and be discovered by the employer within said period of six months, the aggregate liability of the company for all losses under all bonds shall not exceed the amount of the largest of any one of said bonds.

All written statements and declarations made by the employer to the company at or prior to the execution of this bond or any renewal hereof concerning the employee or his duties or accounts, are hereby made the basis of this bond or renewal, and all of such written statements and declarations are hereby warranted by the employer to be true; and if any of said statements or declarations are false or untrue in any particular, or if there be any suppression or misstatement of any fact material to the risk, then there shall be no liability of the company under this bond or under any renewal hereof.

If the employer be a corporation, the knowledge of the board of directors or trustees, or of any executive officer under salary, shall be the knowledge of the employer, except that the knowledge of any director, trustee or officer in collusion with the employee through whose acts the loss may arise, shall not charge the corporation.

If any change is made in the conduct of the employer's business, or in the powers or duties of the employee other than temporary, the employer shall give immediate notice of the same in writing to the company, and if the employer fail or neglect so to do, there shall be no liability of the company under this bond.

The employer shall, whenever requested by the company, and at the company's expense, make the necessary complaint, oath or affirmation to obtain the issuance of a warrant for the arrest of the employee for any fraud or dishonesty for which a claim and proof of loss shall have or may be made under this bond, and shall use all diligence in prosecuting the employee to conviction; and such action when required by the company shall be a condition precedent to recover under this bond. The employer shall, at the company's expense, both before and after payment by the company, give all information, evidence and assistance for the purpose of enabling the company to obtain reimbursement by suit or otherwise from the employee or from his estate for any and all sums of money which the company may have paid or become liable to pay under this bond.

The company may at any time terminate its liability under and cancel this bond by depositing in the registered mail written notice of such cancellation addressed to the last known residence of the employer, stating when such cancellation shall be effective, and in the event of such cancellation the company shall refund the premium paid less a pro rata part thereof for the time this bond shall have been in force, and in case of the cancellation of this bond the check of the company or of the company's representative enclosed with such written notice of cancellation shall be a sufficient tender of the return premium.

If the employer shall at the time of the fraudulent or dishonest act of the employee committed, hold the bond, guaranty or security of any other company or person covering against loss by the fraudulent or dishonest act of the employee, then the employer shall be entitled to recover under this bond only such proportion of the loss sustained as the amount covered by this bond bears to the amount of all the bonds, guaranties or securities, whether such other bond, guaranty or security is against solvent or insolvent corporations or persons and whether the same be available or not.

No action, suit or proceeding at law in equity shall be had or maintained on this bond unless the same shall be commenced within one year from the time of making claim and the furnishing of a sworn proof of loss as hereinbefore required.

There shall be no waiver of any of the conditions of this bond by or on behalf of the company, unless such waiver be clearly expressed in writing on this bond over the signature of the president or one of the vice-presidents with the seal of the company affixed and attested by the secretary.

The acceptance of this bond or the making claim or proof of any loss under it by the employer shall be taken and held as a covenant on the part of the employer to all the terms, provisions and conditions in this bond contained, and as an agreement that he will at all times use every precaution to detect and prevent any act on the part of the employee which would tend to render the company liable for any loss.

The employee for himself, his heirs, executors and administrators covenants and agrees to and with the company, that he will save, defend and keep harmless the company from and against all loss and damage of whatever nature or kind, and from all legal and other costs and expenses, direct or incidental, which the company shall or may at any time sustain, whether before or after legal proceedings by or against it to recover under this bond.

Public Depository Bonds.

These are bonds guaranteeing to States, cities and similar governing bodies the safety of bank deposits. Such bonds are issued when the condition of the bank, the character of its directors and other incidents of the risk are reasonably favorable from an underwriting point of view.

Individual Depository Bonds.

These are bonds guaranteeing to executors, administrators, guardians, business houses and to private depositors generally the safety of bank deposits. Such bonds are issued upon banks of good standing.

Directors, Trustees and Officers of Corporations.

An action may be maintained to procure a judgment—

(1) Compelling an accounting for official conduct, including neglect or failure to perform their duties in the management and disposition of funds and property, or

(2) Compelling payment of money or property acquired to themselves or transferred to others or lost or wasted by or through neglect of or failure to perform their duties.

Bonds are issued to indemnify such directors, trustees and officers against the result of such action.

Lost Certificates.

It frequently happens that stock and other certificates are lost or mislaid. Usually new certificates will not be issued in replacing

those lost unless a suitable bond of indemnity is furnished. When such certificates have not been indorsed and are therefore not negotiable, a bond of indemnity will be issued when the applicant is a person of character and responsibility.

Joint Employers and Employees Bond.

A blanket bond is issued by some companies, in which case an application is required—one from the employer and from each employee bonded. The changes in the contract are effected by means of a schedule showing the existing risks and the dates of those discontinued.

A special form of bond is required by the Bankers Association, and is issued by the companies. It is claimed that this form is not as satisfactory to the companies as their own contract, and that a higher premium is charged for the bankers' form, but in the absence of any uniform rates it is difficult to say how much reliance can be placed on this statement.

The premium is based upon the amount of the bond.

The payment of any loss, total or partial, under a fidelity bond, cancels the bond.

Treasury Rules Regarding Official Bonds.

Official bonds are required to be renewed every four years. Renewals at more frequent intervals will not be permitted.

No surety company shall be accepted as sole surety on any recognizance, stipulation, bond or undertaking for an amount greater than 10 per cent of its paid-up capital and surplus.

Two or more companies may be accepted as sureties up to 10 per cent of capital and surplus, but the sureties must execute the obligation jointly and severally.

Contractors' and Court Bonds.

Surety bonds are issued in the case of contractors and in judicial court proceedings to guarantee the faithful performance of the contract or duty undertaken, for example:

Contractors are required to furnish bonds to municipal, State and Federal governments, corporations and private firms or individuals for the performance of various construction work.

Court bonds are required on the appointment as administrators, guardians, assignees, receivers, trustees, executors, guardians, appeal bonds, attachments, injunctions, replevin, etc.

Municipal license bonds are required for auctioneers, brewers, druggists, plumbers, stationary engineers, employment agencies, express men, pawnbrokers, etc.

Internal Revenue and Custom House bonds are required by the Federal Government of brewers, distillers, gaugers, tobacco and cigar makers and importers.

Warehouse bonds are issued to the owners of warehouses, covering their liability for the faithful performance of their contracts.

Individual Contractors' Bonds.

When public or private work is advertised for bids, the agent will find it to his advantage to get in touch with the various contractors likely to estimate for the work, and to arrange for the issuance and terms of a bond in the event of the contract being awarded. There are many elements tending to make estimates so uncertain that the value of a bond guaranteeing the performance of the work within the terms and time limit of the contract must vary greatly. This is particularly true of public works based upon soundings and tests, which are more or less perfunctory. Quicksands may be encountered; rock of an obstinate and unexpected character may require to be blasted away; caving in involving valuable buildings may occur, while gas may accumulate from leakage or other causes, resulting in costly explosions, and, by no means least, the chance of labor strikes and demands for increase of pay beyond anything contemplated when the bids were made, may result in the contract being abandoned and thrown upon the surety company for completion.

The agent will readily appreciate that if one contractor with a bid of $450,000 is awarded a contract where the next bid is $500,000, and other bids still higher, a bond at 2½ per cent on $450,000, or $11,250 premium, does not bring the award up to as satisfactory a basis as the bid of $500,000 without any bond. It is, therefore, necessary for the contractor to put up acceptable collateral for an amount to be agreed upon by the surety company.

In the event of the contractor failing from any cause to complete the work for which the surety company has become responsible, the company may either assume the completion themselves or let out the work by sub-contract. In the latter case, it is safe to say that the price to be paid far exceeds the original price on which the contractor failed.

Contractors using explosives are required to give bond to the city protecting it against damage in the prosecution of their work.

Printers and others furnishing supplies to the Government or to State, county or municipal authorities are frequently required to furnish corporate bond for the execution of the contract in all its conditions, whether it be delivery on time, quality of goods or work, and compliance with the terms of the specifications.

The premium is based upon the amount of the contract.

The form of contract generally issued may be understood from the following sample:

FORM OF CONTRACTOR'S BOND.

Know all men by these presents: That we ...... as principal and the ...... as surety, are held and firmly bound unto ...... in the sum of ...... dollars, lawful money of the United States, for the payment of which we hereby bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

The condition of the above obligation is such that,

Whereas, The principal has entered into a certain contract with the above named obligee, a copy of which is hereto attached and made a part hereof as fully as if set forth at length herein.

Now, if the principal shall keep, do and perform each and every of the matters and things in said contract specified to be by said principal kept, done and performed, at the times and in the manner in said contract specified, and shall make good to the above named obligee all loss and damage which the said obligee may sustain by reason of failure or default on the part of said principal, then this obligation shall be void; otherwise it shall remain in full force and effect.

This bond is executed by ......, as surety, upon the following express conditions, which shall be conditions precedent to the right of the above named obligee to recover hereunder:

(1) The obligee shall keep, do and perform each and every of the matters and things set forth in said contract to be by the obligee kept, done and performed, at the times and in the manner in said contract specified.

(2) If at any time the principal shall in any manner fail, neglect or refuse to keep, do or perform any matter or thing at the time and in the manner in said contract set forth and specified to be by the said principal kept, done or performed, the obligee shall immediately so notify the company in writing.

(3) If at any time it appears that the principal has abandoned the work or does not intend or will not be able to carry out the contract, the obligee shall immediately so notify the company in writing by registered letter, prepaid, and the company shall have the right, at its option, to assume, sublet or complete such contract; and all moneys due then or thereafter under said contract, including percentages withheld until completion, shall be paid to the company as and when due under the said contract, and the company, if it so elects, shall be subrogated to all rights of said principal.

(4) The obligee shall before paying to the principal any instalments under said contract require the principal to produce receipted bills for all labor and materials furnished for the work in said contract specified; and should the principal fail to produce such receipted bills, the obligee shall immediately so notify the company in writing by registered letter, prepaid, and shall upon demand pay to the company all moneys which would have been due and payable to the principal had the principal produced such receipted bills.

(5) The obligee shall give the company due notice in writing before the last payment under said contract is made to the principal.

(6) The failure, neglect or refusal of the obligee to keep, strictly observe and fully perform any of the matters and things hereinbefore stipulated to be done, kept or performed by the obligee, at the times and in the manner specified, shall relieve the company from all liability under this bond.

(7) No action, suit or proceedings shall be brought or maintained against the company upon this bond unless the same shall be commenced within six months after the first breach of said contract, and this bond shall not cover loss, reconstruction or repairs resulting from acts of God, war, riots, labor difficulties called strikes, fire or the elements, nor shall the company be liable for a greater sum than ...... dollars because of or on account of this bond.

Automobile Bail Bond.

When an automobilist is arrested for any cause, and is required to give bond immediately, it can be quickly arranged provided an application has been made to one of the surety companies that makes a specialty of issuing such bonds, by which the owner of the auto can, by signing one of the bonds, bind the surety company.

The bonds are issued in sets of five for an annual premium, and at the end of the year the unused are redeemed and an allowance made therefor.

In any case where the bond is used, the surety company requires immediate notification.

(To be continued.)

THE SPECTATOR:

THE SPECTATOR, *established in 1868, is a weekly journal devoted to promoting the best interests of trustworthy insurance of all kinds. The subscription price for the United States, Canada and Mexico is Four Dollars per annum, postage prepaid. To all foreign countries in the Postal Union, Five Dollars per annum.*

THE SPECTATOR *has a larger circulation than any other insurance journal—and carries no "deadhead" subscriptions.*

THE SPECTATOR COMPANY, PUBLISHERS.

Clifford Thomson, President. Arthur L. J. Smith, Sec'y & Treas.

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THE VALUATION OF SECURITIES IN ANNUAL STATEMENTS.

As the end of the year approaches, with the market prices of securities remaining at a relatively low level, it becomes a matter of grave importance to all classes of insurance companies to know upon what basis of valuation their statements of assets will be accepted by the various State Insurance Departments. An inquiry of Superintendent Otto Kelsey of New York State developed the fact that this subject has had the serious attention of the Superintendent and his associates, and that a determination is expected to be made within a short time as to the procedure for the present year. The Attorney-General of New York has decided that Chapter 34, Laws of 1891, relates only to the estates of deceased persons and to estates and corporations in the hands of receivers, etc., and that it has no application to the auditing by the Insurance Department of the annual statements of insurance corporations filed therein. Continuing, the Attorney-General says:

Your further inquiry is, whether you should require the company to make its return on the market values of securities as of December 31.

Section 44 of the insurance law requires that a corporation subject to the provisions thereof shall file a statement "showing its condition on the 31st day of December then next preceding, which shall contain such matters as the Superintendent shall prescribe." It is not prescribed in said section, nor elsewhere in any statute of this State, that the Superintendent of Insurance shall appraise the securities enumerated in such annual statement at the market value prevailing on any specified day. If you were required to arbitrarily appraise values prevailing in the market on December 31 such practice might result in an appraisal widely at variance with the fair market value. Extraordinary circumstances, such as reckless manipulation of a security, stringent monetary conditions or panics, might create a temporary market price for a security at such a low level as to be utterly inadequate to indicate its actual market value. On the other hand, uncommon situations in the market might result in establishing for a security an extravagantly high market price, one far in excess of its fair or actual market value, as for instance, a few years ago when by some peculiar process familiar to the security markets a market price of $1000 per share was created during a brief period of time for the shares of a security, the par value of which was only $100. The price thus briefly maintained was subsequently recognized as being about seven times greater than the fair market value. If an insurance company were the holder of such stock and the price of $1000 per share temporarily prevailed on December 31, it could not be fairly contended that the Superintendent of Insurance would be justified in appraising the value of such stock at $1000 per share.

In the absence of a statute prescribing some rule or system to be followed by the Insurance Department in auditing the annual statements, such work becomes a purely administrative function. It must necessarily follow, in the performance of such duty, that you should exercise your own discretion. Whenever any question arises as to an appraisal it would seem to be a matter entirely within your judgment, and reasonable discretion to determine the fair market value of securities, and, furthermore, that it would be entirely proper for you to adopt and observe your own rules in relation thereto so long as they are fair and reasonable.

Subsequently, the Attorney-General directed the Superintendent's attention to the somewhat analogous provisions of the insurance and the banking laws in respect to reporting the condition of corporations, and especially to the requirement that banks shall report their condition on certain specified dates, showing "the cost, par value and estimated market value of all stock investments." From this expression he makes the following deduction:

Thus it clearly appears that, despite the fact that the statute requires a statement of the condition of the corporation upon a particular date, yet it is not contemplated that the market price of stocks established upon that particular date shall be the values to determine the condition of the corporation on that date, but that the value of the stock investments shall be the *estimated market value.*

Attention is called to the foregoing consideration as being in confirmation of the opinion heretofore transmitted to you in the matter above referred to.

The adjudication of this matter appears, therefore, to be within the scope of the Superintendent's authority.

Other State officials are also giving thought to this subject, and Comptroller-General Wright of Georgia has announced that, if the present depression continues, he will not hold the companies to a rigid interpretation of the law concerning valuations. Several other State officials are expected to confer to-day concerning this very important matter.

If the *estimated market value* will be accepted in other States, as well as in New York State, why should the companies not be permitted to estimate the values of their securities upon the basis of earning power, calling money worth, say, five per cent per annum, but having due regard to particular circumstances in connection with individual securities, and not fixing prices higher than those which have obtained in the open market during the past year? There are companies which purchased many of their securities years ago, and which have consistently carried them in their annual statements at reasonable *estimated* values, which have frequently been much below the prevailing stock market prices on December 31. It seems hardly fair that the necessities of frenzied financiers, which have forced current prices down to a low level, should oblige these conservative companies to mark considerable sums off of their assets and surpluses, especially in view of the fact that most of the railroad and industrial companies have this year earned more than in previous years, and that the insurance companies will probably continue to hold their securities indefinitely.

During the currency famine which has prevailed for several weeks, the public authorities have overlooked or condoned practices on the part of banks which, under ordinary circumstances, would have sufficed as reasons for throwing those institutions into bankruptcy. The insurance companies do

not ask, nor require, any unreasonable departure from usual methods, but simply that their property shall be accepted at a fair valuation, proportionate to its actual, money-earning worth, rather than that they shall be forced to value same at the fictitious and unreasonably low prices established by the enforced sales of speculators and others.

ALLUSION was made in THE SPECTATOR of last week to the fact that the life insurance companies were contributing millions of dollars to the relief of the money stringency that has been manifest in all sections of the country for some weeks past. By loaning money to their policyholders upon the cash value of their policies they have supplied to thousands of persons the ready means for tiding them over their difficulties when the banks were unable to meet their demands. Banks and trust companies, carrying the deposits of business men to an enormous extent, were unable to procure sufficient money to enable them to honor the checks of their depositors, and, as a consequence, the entire community suffered. Many extensive manufacturing interests, as well as smaller industrial enterprises, could not obtain sufficient cash to meet their pay-rolls, and their workingmen were obliged to take various substitutes for the money due them, and thus the shortage of money was felt by rich and poor alike. Many industrial enterprises closed their doors because their owners could not count on obtaining the means necessary to their operation, and as a result thousands of workmen have been thrown out of employment. Numbers of persons, after having exhausted the ordinary means for obtaining money, bethought themselves of their life insurance policies and made application to the companies for loans. An officer of one of the prominent companies informed us recently that the numerous applications made to them for loans kept them so busy that an extra force had to be employed. Loans running as high as $100,000 have been made upon life insurance policies during the emergency, while the smaller loans were almost innumerable. Life insurance companies, with their immense volumes of assets, were in a position to command ready money at very short notice, and the relief they extended to their patrons in this emergency has been of inestimable value.

* * * * *

Life insurance companies, as a rule, do not encourage their policyholders to ask loans upon their policies, but in emergencies they come to their relief when requested to do so. When a policyholder borrows money from a company he is apt to look upon the loan as a return of his savings, and, in the event of his being embarrassed financially, to permit his policy to expire. This involves more or less of a sacrifice on his part, but he does not feel it so severely as he would if he lost money through a bank failure. Experience has demonstrated that liberality in the matter of loaning on policies leads to an increase in the number of lapses. Life insurance is, primarily, intended as a protection to the family or a provision for advanced age, and is too sacred to be made the football of business emergencies or contingencies. A policy of life insurance should be maintained at all times free from encumbrances of whatever nature in order that the beneficiaries under it may enjoy its full benefits.

VISITORS to New York city from the country, and sometimes persons from abroad, frequently express amazement at the number of men, women and even children to be met with in the streets in the early morning hours. There are many thousands of these, the tide of humanity running in all directions, and each individual walking rapidly, as though he or she had an engagement to meet at a given hour and was fearful of being late. In some of the streets this rushing stream of life will occupy the entire sidewalk, moving like a great procession, eager, intent, but generally good-natured and jovial. A very large proportion of these hurrying crowds is made up of females, ranging in age from extreme youth to advanced age, and the questions a stranger naturally asks is: Who are they? Where are they going? These are working men and women, hastening to or from their daily employment. They come from the suburbs, from Brooklyn, New Jersey, Staten Island and elsewhere. In the tall buildings down town there are thousands of business offices that give employment to stenographers, typewriters, clerks, office boys, etc., while in great numbers of buildings extensive manufacturing industries are carried on in the upper stories, giving employment to expert mechanics of various kinds, clerks, laborers, etc. These are the points to which the footsteps of the hurrying crowds noticed are directed, and here they earn their livelihood in various occupations. At the close of the day the same procession may be noted, but it moves in the opposite direction, each individual hastening to his or her home. The scramble to obtain seats in the street cars, the elevated trains and the subway cars is what causes the "rush" hours, and makes the accommodation for the traffic of the streets inadequate. Why are there so many females among these hurrying operatives? Because some men have neglected their obvious duty, and, dying, have left their widows and fatherless daughters to earn a living by hard, exacting manual labor. In many cases these women and girls were used to the luxuries of life, for during the lifetime of their natural protector his earnings were abundant and his provision for his family was made with a lavish hand. With his death the income ceased, and as nothing had been saved up for emergencies, there was no alternative for the widow and children but to seek such employment as they could obtain to preserve them from actual want. A life insurance policy, in such a case, for a few thousands of dollars, upon the life of the husband and father, would have changed all this, and left to his family the means to continue in the manner of living he had educated them to expect. In these days, when the benefits of life insurance are so generally understood, that man who neglects to provide such benefits for his dependents is recreant to his duty to them and to the community upon which he casts them.

GIVEN one thousand men of equal age, with apparently equal chances of living to old age, and in most States a life insurance company insuring these men is forbidden to discriminate in any way between them in connection with the cost of their insurance. But if each of these men owns a factory, carrying on the same processes of manufacture, built along identical lines, and to all appearance subject to equal hazards of fire, and each requiring, say, $200,000 of fire in-

surance, which it is necessary to procure from numerous companies, not only are the individual companies at liberty to discriminate at their pleasure between similar risks, but any uniformity in the premium rates charged by different companies upon the same risk is regarded as evidence of violation of the anti-compact laws which are in force in many States. Surely this is a most inconsistent position for the wise legislators to assume. If it is wrong for life insurance companies to charge varying prices for insurance covering seemingly identical risks, why is it not equally wrong for fire insurance companies to do so? And if uniformity is proper and desirable as regards the rates charged by any one fire company for insurance of apparently equally hazardous risks, why should the several companies be virtually forced by law to charge varying prices for writing identically the same risk? It would appear that the theory upon which anti-compact legislation has been enacted is radically wrong; in fact, one underwriter has lately suggested that it would be more reasonable to legally require that all companies should charge the same rate of premium for insurance upon any given property. It is indubitably essential to the permanency and stability of the fire insurance companies, and hence to the welfare of the community and the country, that the premiums (and the reserves based thereon) should be adequate to meet all loss and expense requirements, as a minimum, and that surplus funds should also gradually be accumulated to provide for the conflagration losses of the future. This being true, would it not be wiser to aid the fire insurance companies to attain financial strength, rather than to force them to transact their business improperly? For many years past it has been the general policy of the United States Government to encourage home industries by placing high, sometimes prohibitive, tariffs upon goods imported from other countries, the purpose being to furnish employment to American citizens and to build up the country's manufacturing ventures. It is equally important that such substantial factors in fostering business expansion, as are safe and sound fire insurance companies, should not be handicapped and hampered by obnoxious and too restrictive laws, but should be allowed to conduct their operations in a manner conducive to the best good of all the people.

BANKERS and others are loud in their complaints of the hoarding of money by the public, and in their asseverations that all that is necessary for a return of normal conditions is for the public to display its usual confidence in the banks. But what about the banks themselves? They refuse to receive on deposit checks of other banks, and decline to pay their depositors more than infinitesimal fractions of their deposits, thus greatly contributing to the general feeling of uncertainty, hampering business operations, and forcing their customers to retain what currency they can obtain for their own necessities. Some banks are known to be taking advantage of existing conditions to compel their depositors to give them all of their collections, etc. For instance, one New York bank refused to accept for deposit the check of a bank in a neighboring city, drawn upon one of the wealthiest and oldest New York city banks, simply in order to force the depositor to deposit with it his checks on out of town banks, which he had been collecting through the bank whose check was declined. This same bank charged the depositor two and one-half per cent premium upon the small portion of his credit balance which it would pay him—a sum insufficient to cover his pay-roll. Can the public be blamed for holding on to currency when the banks thus press every advantage against their customers? Many factories have already shut down because of the difficulty in paying their help; and in the interest of general business prosperity the banks should endeavor to help, not hinder, their customers. The banks are themselves, in many instances, the worst "hoarders" of currency. One, which was only required to have a cash reserve of $22,000, was ascertained to have $65,000. Let the banks lead the way in loosening up, and the people will gladly follow their lead. What a storm of criticism would break over the fire, life and accident insurance companies if they should begin holding up payment of money due their clients, as the banks are doing! And yet there is greater reason for their doing so than for the banks, for the bulk of their assets is invested, and their nominally ready cash is practically all in banks—and the latter won't let it go. The way to resume currency payment is to resume. If the banks will remove their present unreasonable restrictions, they will find that the public will respond, and business will soon be running along as usual.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

F. S. McDaniel, formerly in the field for the Manchester Assurance, and M. McVoy, Jr., at one time connected with the Commercial Union, have organized a brokerage company in this city, with offices at 59 Wall street. They will do business under the corporate name of the "Industrial Underwriters."

W. L. Pettibone & Co. have been appointed Eastern general agents for the Globe Fire Underwriters of Little Rock, Ark., issuing a policy guaranteed by the American Fire, Capital and Commercial of Little Rock, Ark. They have also been appointed general agents outside of Minnesota and North Dakota for the Security Mutual Fire of Chatfield, Minn.

J. J. Martin, agency superintendent of the Liverpool and London and Globe, will retire on January 1 next upon a pension. Mr. Martin has been in the service of the company for over thirty years. He will be succeeded by J. B. Kremer, Jr., and T. A. Weed; the former special agent of the company in Eastern Pennsylvania, Maryland and Delaware, and the latter principal assistant to Mr. Martin in the agency department of the New York office.

At last week's meeting of the Exchange, there was a round of applause when the door opened and F. C. Moore, ex-president of the Continental, walked in. Not forgetting his old-time interest in all that pertains to the best interests of the whole community, Mr. Moore, in a brief, but forcible, speech, urged the Exchange to add the seal of its official approval to that already given by the New York Board in favor of the building code now in preparation. Mr. Moore was a pioneer among the underwriters in the movement to improve our building laws, and is the author of a simple, but effective, code, prepared many years ago, to be urged upon municipal and State legislatures. After the adjournment of the Exchange, there was a handshaking all around.

The Williamsburgh City has been worsted in the United States courts in California upon a test of its defense against losses on the ground of its earthquake clause. The test case carried a number of

others with it, and the amount involved is considerable. The earthquake clause seems to have lost ground in San Francisco in other ways than in this litigation. Now it is announced that the Norwich Union, Glens Falls and Security of New Haven have eliminated the exemption clause from their policies, which makes it very difficult for the few which retain it to carry it alone. Still further does it postpone the movement started abroad to introduce an earthquake clause generally in this country.

The companies are beginning to believe a large amount of illicit and cut-rate business is being done here in writing out-of-town risks through brokers. The orders are often the outcome of correspondence, and sometimes are tripped up by queries addressed to the companies referring to risks in hand. The latest one of this sort is embodied in a query from the Exchange, sent out last week, inquiring if any Exchange company has written or agreed to write a line on the Bon Marche dry goods store, located in Seattle, Wash.

Canadian underwriters are reported to be in a highly excited state over discoveries that certain New York brokers have made proposals to various manufacturing plants in Canada to furnish reputable insurance at thirty-three and one-third per cent off the regular rates. We have been shown some juicy letters from agents in Toronto, quoting names and particulars of extensive cut-rate policies offered by brokers in this city in the London Lloyds. The first clue to this bad practice was uncovered when a loss occurred in a lumber mill on Georgian Bay. Proof of further increase in Lloyds cut rates turned up in offers of Lloyds policies as collateral on grain in the Canadian Pacific elevators at Port Arthur. The pretense that Lloyds demand the full tariff rates on risks in this country seems to have been thrown to the winds. The Canadians declare that it is a myth, and three-quarters of Lloyds policies found in Canada are at cut rates.

Manager Hess of the Exchange has done a good thing in sending out a caution to the owners and occupants of buildings equipped with automatic sprinklers, on the subject of extra care to prevent freezing of the pipes. This is always a cause of apprehension on the part of underwriters, lest carelessness shall disable sprinkler equipments when the temperature is well towards zero. The caution in this case is practical, and if propertyowners follow the rules laid down for their guidance, they may avoid losses for themselves, as well as for the interested underwriters.

As stated last week, the Exchange considered the extinction of the pattern clauses as required by the hand book. As in the former days the underwriting doctrine was that, unless patterns were specifically insured, there was danger of excessive claims for useless patterns under blanket items as machinery and fixtures, and it must have required the surrender of old-fashioned ideas to vote to wipe out the clause entirely. But the testimony that, with the coinsurance clause, it was worthless as a protection, and that a large proportion of the companies failed to use it, the question became one of practice rather than of principle. There was a feeble opposition to its abolition when the vote was taken, but it passed by a large majority.

The news that the insurance on the Plaza Hotel for the benefit of a life insurance company's mortgage is $5,000,000, in big policies, and that the amount required in the City Investment building on Cortland street is $3,500,000 has brought to light the news that the Hudson Terminal, a McAdoo tunnel structure on the northwest corner of Cortland and Church streets, will not be insured at all. The owners made a bargain-counter purchase in collecting insurance on the foundations and materials last spring, and now cut out the underwriters by a decision not to insure. It is an even bet they will change their minds before summer.

The new Cunarder, "Mauretania," is due to-day with a cargo probably the most valuable ever carried over the ocean. The gold and specie are valued at $14,000,000, and we are informed that $3,000,000 of the required insurance is carried in American companies.

A considerable amount of inland transportation has been effected in the last fortnight upon gold and currency shipments from this city to interior points. Regarded only as a total sum, the demand has not yet been equal to supply.

Changes have been ordered in the alphabetical list of warehouse contents which have been decidedly upward in tendency. The original charges must have been made ignorantly, or the new rates flavor of panic in the sign of the advance.

Nothing has yet been done to reconcile past and present differences in the form of the electric light permits. The impression is that the Exchange has a much weaker form than the old board certificates, and the sooner it is amended the better.

It is reported the senior mutuals, which have taken the insurance on the Proctor & Gamble soap works, now being finished and equipped on Staten Island, have raided the new Babbit factory on the Hackensack meadows, and made a rate lower than the quotation of the Exchange competitive rate schedule.

BOSTON AND VICINITY.

The recess committee of the legislature concluded its hearings on the 13th inst. by a consideration of the bill offered at the last session, providing for a State board of appeal on fire insurance rates, the said commission to be clothed with power to inspect all premises and require such safeguards as in their judgment may seem desirable. This bill is the result of a convention of business men from throughout the State, which was held in Boston last fall to protest against what was termed the arbitrary treatment accorded them by the fire insurance companies. The effect of this bill is to provide for a State supervisor of fire insurance companies and for the ascertaining of the exact amount of premiums collected by the insurance companies in the various cities and towns; the amount of fire losses paid therein; the gross receipts of the companies on risks located in the Commonwealth; the amount of expenses incurred by the companies and earned and unearned premiums.

The companies indorse that feature of the bill which makes inspection compulsory, so long as that expense is not thrown upon the shoulders of the fire insurance companies.

So far as detailed scrutiny of the business of the companies is concerned, a representative of the Boston Board of Fire Underwriters criticised the legal features of the question. He declared that the matter involved the consideration of private contracts since insurance companies are not public service corporations, and stated it was his belief that the Supreme Court would declare such legislation unconstitutional.

The officers of the Boston Board of Fire Underwriters are as follows: President, Edward C. Brush; executive committee, William H. Rogers, James Bruerton, Edmund B. Cowles, Frank A. Dewick, C. H. J. Kimball, Edmund Winchester.

The annual report of the executive committee showed, among other details, the following record of inspection:

	1907.	1906.
Total inspections during the year	10,469	6,473
Buildings in good condition	9,242	5,664
Buildings in fair condition	1,125	766
Buildings in bad condition	102	43
Buildings improved	3,159	2,361

The Exchange has voted to appropriately observe the twenty-fifth anniversary of existence, which occurs in February, 1908.

NOTES FROM PHILADELPHIA.

The Northwestern Fire and Marine of Minneapolis has transferred its Philadelphia agency from Stone, Mathews & Co. to Billington, Hutchinson & Co., and has appointed Clarance A. Krouse & Co. general agents for Eastern Pennsylvania and Southern New Jersey, excepting Philadelphia.

The many friends in this city of J. B. Kremer, Jr., special agent for the Liverpool and London and Globe, are pleased to hear that dating from January 1 next he will become agency superintendent of the company, together with T. A. Weed, who has been principal assistant of J. J. Martin, the present incumbent in that position, who retires on that date.

At the annual meeting of the Philadelphia Fire Underwriters Association, held on the 13th, the following gentlemen were elected mem-

bers of the executive committee to serve for three years, viz.: Eugene L. Ellison, Nathan J. Dunn and Robt. M. Coyle. At the meeting of the executive committee the following officers were elected for the ensuing year, viz.: B. H. Wood, chairman of executive committee; Henry M. Gratz, vice-chairman of executive committee; Charles A. Hexamer, secretary and treasurer.

A prominent underwriter said last week:

The opening of bids for the laying of the lateral mains as provided for in the original plan for the high-pressure fire main service in the congested section of the city, and the item of $500,000, as provided in the loan bill recently passed, for the installation of a high-pressure fire main service in the Kensington mill district, seem to mark the end of this long campaign which underwriters and propertyowners in these sections of the city have been waging for several years for increased fire protection, and when these improvements are completed I will be in favor of recognizing the same by a judicious lowering of rates, particularly in the center of the city.

THE NEW ENGLAND FIELD.

—Amos B. Adams of the Willimantic (Conn.) local agency of A. B. Adams & Co., died recently, aged eighty years.

—Cyrus A. Todd, senior member of the insurance agency firm of C. A. & A. G. Todd of New Milford, Conn., died suddenly last week at the age of eighty years.

THE WEST.

Ohio Jottings.

[From Our Own Correspondent.]

The meeting of the Ohio State Fire Prevention Association at Columbus last Tuesday, was productive of but little new material other than that the inspection of the large cities of the State has proved of as great benefit to the insurance interests of the State as those of the smaller towns. This was brought out in the discussion of the inspection made at Cincinnati. The inspection of that city completes the work in the large cities. In all of them it was found that the inspection bureaus had done good work, but at the same time the propertyowners had given little attention to their recommendations for improvements. With the authority the members have from their companies, owners understand that if they do not follow out pretty closely the requests made they are liable to lose some of their insurance. Of course, no concerted action is ever taken by the specials as a result of these meetings, but at the same time the bulletins furnish them information upon which they may act if they see fit.

Agents in most of the larger cities of the State are complaining of dull business. It is said that mercantile houses are not carrying as heavy stocks as usual, because of the doubtful business conditions and that they have retrenched to an extent that has possibly rendered the lines they do carry, smaller than they should be. Some trouble has also been encountered in making collections. It can not be denied that the stringency has hurt business to a considerable extent. O. M. C.

Cleveland, November 16.

Ætna's Western Branch to Move to Chicago.

The recent visit of President W. B. Clark to the company's Cincinnati and Chicago branches has resulted in the following announcement to the Western agents reporting to the Cincinnati branch:

Gentlemen—After a long and careful consideration of the subject, we have decided to remove the Western branch from Cincinnati to Chicago, and now expect to be located in offices in the National Life Insurance Company's building, 159 La Salle street, in May next. In due time the Chicago city and Cook county agencies will report to the Western branch instead of as now to the home office at Hartford, thus consolidating our entire interests in the Middle West. In view of this change, and on account of ill-health, General Agent N. E. Keeler has tendered his resignation, and the same has been accepted, to take effect at the close of the present calendar year.

Mr. Keeler has served this company as clerk, special agent and general agent for over forty-two years, and we are pleased to advise you that our board of directors have recognized this long service and devotion to the interests of the company in a substantial manner. The branch at Chicago will be under the management of General Agent Thomas E. Gallagher, and James S. Gadsden will continue as general agent of the inland marine department. Louis O. Kohtz, our present assistant general agent at Chicago, will continue as assistant general agent in both fire and marine departments.

—C. R. Barber, special agent of the Southern of New Orleans for Illinois, Indiana and Michigan, has resigned.

—S. C. Wartenbe, State agent of the Williamsburgh City Fire for Minnesota and Wisconsin, has resigned to take charge of the Minneapolis Insurance Agency.

—The Attorney-General of Minnesota has ruled that fire companies cannot issue automatic sprinkler leakage policies.

—Lee L. Hamblin, Nebraska State agent of the Home of New York, has resigned to go into the local agency field at Omaha.

—D. A. Baldwin, special agent of the Aachen and Munich Fire for Indiana and Michigan, has resigned, taking effect December 1.

—William J. Ciscel, assistant to State Agent Ragsdale of the American Central, has been appointed Iowa and Nebraska special agent of the company.

—President Robert Dickson, of the Guardian of Pittsburg and the Southern of New Orleans, has decided to withdraw both companies from Colorado.

—H. W. Crowell, Michigan special agent of the Phenix of Brooklyn, has been appointed special agent of the London Assurance for Michigan and Indiana.

—Attorney-General Bird of Michigan has ruled that licenses must be secured for salaried employees writing insurance and for solicitors working for agents.

—J. T. McComb, Insurance Commissioner-elect of Oklahoma, is preparing an exhaustive code of insurance laws which he will present before the first legislature.

—H. F. Cornell has resigned as special agent for R. J. O. Hunter & Co., and has been appointed executive special agent for the Central department of the Walla Walla Fire.

—Eugene Coleman, Indiana special agent of the Ohio Farmers, has been appointed assistant to J. D. Coleman, general agent of the Home of New York for the Pacific Northwest.

—W. J. Deater, Iowa special agent of the Hawkeye of Des Moines, has resigned, and will retire from the insurance business. J. W. Ellison, special agent of the Columbia of Omaha, succeeds Mr. Deater.

—Eugene Warren, for several years at the home office of the Citizens of St. Louis, has been appointed Missouri special agent of the company, succeeding Charles W. Crossan, who recently resigned to go with the Iowa State.

—As a result of a recent meeting at St. Paul, an announcement was made that every company and agent concerned has been brought into the fold with the exception of the Northwestern National, which elects to remain on the outside.

—D. C. Patterson, secretary of the Oklahoma Hardware, Implement and Vehicle Dealers Association of Oklahoma City, has completed arrangements for a mutual fire company among the members of his association in Oklahoma and Indian Territory.

—Insurance Commissioner Hartigan of Minnesota has imposed a fine of $500 on the Pennsylvania Fire. The making of a false report to the Department in connection with the reinsurance revelations made in the investigation by the Colorado Department was the offense alleged.

—A new constitution has been adopted by the Order of the Blue Goose, and a number of changes have been made in the ritual. Hereafter the State organizations are to be known as ponds, and the pond in which the grand gander for the year is a member is the grand nest. This year Minnesota is the grand nest, George C. Main being the new national head.

—The report of the engineers of the Committee on Fire Prevention, covering the fire protection obtaining at Minneapolis, summarizes the condition in the congested value district as favorable to serious fires due to the usual weaknesses and inadequacies such as structural faults, excessive area, mutual exposure, lack of proper protection in wall and floor openings, overhead wires in block interiors, etc. The fire department and water supply are fairly satisfactory, and the fire alarm service is stated to be reliable, although the boxes are too far apart in some localities.

THE SOUTH.

—The Walla Walla Fire will enter Kentucky about January 1.

—The Commonwealth of New York has entered West Virginia.

—W. M. Morgan, a prominent local agent at Fayetteville, N. C., died recently after a short illness.

—Lohmeyer & Goshorn of Charleston, W. Va., have been appointed State agents of the Reliance of Philadelphia.

—The Spring Garden has entered North Carolina. This territory will be managed by the American Agency Company of Baltimore.

—Prof. Charles W. Bell of Harrodsburg has been named as Insurance Commissioner of Kentucky by Auditor-elect Frank James.

—The German of Pittsburg is entering Kentucky, and will be under the supervision of Robert J. Meeker, State agent for Indiana.

—A resident agents bill will be presented when Congress convenes at Washington. The measure is advocated by Insurance Superintendent Thomas E. Drake.

—D. E. Grove, a well-known adjuster of fire losses, is now located in the Wilson building at Dallas, Tex., handling losses in Texas, Arkansas, Oklahoma, North and West Louisiana.

—E. R. McDavid, former Insurance Commissioner of Alabama, has introduced a bill in the legislature to exempt from taxes for a term of years insurance com-

panies organized in the State, in order to encourage the organization of domestic companies.

—The New York Underwriters Agency has appointed Joseph M. Raleigh of Little Rock, Ark., special agent to assist State Agent Burton D. Dechert in Virginia and Eastern North Carolina.

—Ernest L. Withers, at present North Carolina special agent of the Florida Home, has been appointed special agent in the office of Hughs & Yates, for whom he will cover Virginia and the Carolinas.

—The annual meeting of the sprinkler department of the South-Eastern Tariff Association was held at the Atlanta office this week. The operation of the new sprinkler schedule in Southern territory was the main topic of discussion.

—The contingent commission committee, appointed in accordance with the resolution adopted at the last meeting of the South-Eastern Tariff Association, is composed of Milton Dargan, W. B. Clark, Frank Lock, R. M. Bissell, Henry W. Eaton, F. H. A. Correa, W. N. Kremer, E. C. Irvin and J. L. Cunningham. It will meet in Hartford to-morrow.

MISCELLANEOUS FIRE NEWS.

Municipalities and Mutual Fire Insurance.

[To the Editor of The Spectator.]

Is there not a recent decisiou of Attorney-General Jackson (of New York, we believe) on the overstepping of the bounds of charter authority by towns, villages and municipalities, in insuring in mutual companies? If such a decision has been rendered, does it not apply equally as well to executors, administrators, trustees, guardians, etc., who insure their trust property in mutual fire companies, and is not the bonding liability of the various bonds of such materially increased, for which no adequate charge is now made by surety companies?

With thanks in advance for your usual prompt attention, we are

Cordially yours,

————————, Agents.

Savannah, Ga., Nov. 2, 1907.

[The opinion to which reference is above made is undoubtedly that given by Attorney-General Jackson of New York, in July, 1907, to a citizen of New York, which reads as follows]:

Dear Sir:—You have requested my advice relative to the right of officials of a village, town or other municipality to insure the property thereof in a mutual or co-operative fire insurance company, or in a foreign insurance company, not authorized to do business in this State.

It is a well-settled principle of law in this State in regard to mutual and co-operative insurance companies, that the insured becomes a member of the corporation, and upon entering into such relationship is endowed with all the rights and becomes subject to all the liabilities of a member. Each person insuring in companies of that character becomes at once an insurer and insured.

Villages, towns and cities are municipal corporations. (General corporation law, Sec. 3, Subd. 1.)

If such a municipal corporation were to be permitted to insure its property in a mutual or co-operative fire insurance corporation, it would thereupon become an insurer of all the other members of such corporation. There is not to be found in the statutes of this State any provision couferring such powers or privileges upon municipalities, and it seems to me if the officials of a muuicipality, who are charged with the duty of administering its affairs, enter into contracts beyond the scope of their authority, that they thereby subject themselves to the hazard of individual liability.

(See White vs. Madison, 26 New York, 118).

In the case cited it was held that the power of an agent to insure the property of his principal does not authorize an insurance in a mutual company thereby making the principal an insurer of others.

Respecting the insurance of property of a municipality in a foreign fire insurance company, not authorized by law to do business in this State, I deem it only necessary to call your attention to the provisions of the insurance law, Sec. 26, which require fire insurance companies to make certain deposits of securities for the benefit of all the policyholders before being permitted by the Superiutendent of Insurance to transact business within this State. This requirement is for the protection of policyholders, and I know of no reasou why municipal authorities should be permitted by making insurances not so safeguarded to deprive the municipality of the protection afforded by such deposits.

Duties of a Broker.

[To the Editor of The Spectator.]

For the purpose of deciding an argument, I would be obliged if you will kindly answer for me the following questions:

First, when do the duties of the broker to the assured cease?

Is the broker expected to adjust a loss involving an unusual amount of work for the assured without additional remuneration other than the commission derived from the business?

Yours very truly,

Harrisburg, Pa., November 16, 1907. Broker.

[The duty of the broker, under usual conditions, ceases when he has lawfully procured the desired insurance for his principal, in sound companies, under policy forms which are properly prepared, and which comply with the usual customs of the trade and of the insurance companies, and when he has delivered the policy to the insured and has collected and transmitted the premium for the insurance. It is also customary in New York, for instance, for a broker to watch expirations, and the insured depend upon this custom, to some extent, in relation to renewals. It is unreasonable, however, for the insured to expect his broker to undertake the adjustment of a complicated loss without commensurate remuneration therefor. If the insured feels that he needs help in the preparation of documents following a fire loss, he should specially employ his broker, an independent adjuster or some other competent person to perform such service. Bearing upon this question, "Joyce on Insurance" says:

An agency for the assured may terminate by the performance of the act for the doing of which the agency was created, as in case of the employment of a broker to procure a particular insurance, his agency ceases when that insurance is effected. * * *

In cases where the agency is merely to procure insurance, and determiues by the very act of effecting the policy, no duty could reasonably rest upon the ageut to procure other insurance in case of insolvency of the assured, and if he should do so, it would be a mere voluntary act. Where, however, the agency is a continuing one, the question is more difficult. * * * The nature of the agent's instructions must also have some bearing upon the case.

Nevertheless, if it has been customary for the broker to retain possession of the insured's policies, there may be an obligation created by such custody as to make it incumbent upon the broker to obtain an adjustment of a loss. Upon this point "Joyce on Insurance" says:

The loss is a debt, due the principal and not to the hroker, but where the broker is intrusted with the policy to obtain an adjustment of the loss, he is bound to the use of reasonable diligence in effecting a speedy adjustment and collection of the amount due therefor, and must without delay pay the amount collected over to the assured. * * *

So an agent who retains the policy with his principal's consent thereby has his agency continued, and is substituted for him, and it is then incumbent upon him, acting generally upon the principal's advice, to do and perform such acts as the protection of the rights and interests of his principal demand, in all matters pertaining to the contract, and he should demand payment of the underwriter. * * * So a broker may be liable for not promptly collecting losses under the policy. * * *

The foregoing principles are considered to relate more specifically to marine insurance cases. Even though a broker, through courtesy or a desire to retaiu the good will and business of his client, should care for the settlement of losses or perform other services for him, it would appear to be advisable to turn over insurance policies to the custody of the insured, as soon as obtained for him.—Editor The Spectator.]

—J. H. Richards has been appointed California manager of the Walla Walla Fire.

—The Michigan Commercial of Lansing will enter California in the near future.

—The Washington Fire's loss ratio for 1907 up to November 1 was 25.47 per cent, with a volume of premiums netting about $150,000.

—Duncan & Rehfisch have been appointed general agents of the Excelsior Fire of New York, with headquarters at San Francisco, Cal.

—The completion of the waterworks and high-pressure system at Prince Albert, Sask., has resulted in a reduction of from fifteen to twenty per cent of insurance rates.

—The Eureka Fire and Marine of Cincinnati has been admitted to California. The John G. Johnston Company is general agent for the southern portion of the State.

—George E. Kendall, former United States manager of the National of Ireland, has been appointed special agent of the North British and Mercantile, with headquarters at Rochester.

—Fire Marshal Creamer of Ohio advises propertyowners to inspect their chimneys and clean their stovepipes before real winter sets in, and gives good advice in connection with his suggestions.

—F. C. H. Robins, formerly special agent of the American of Newark for California, has gone with the California Insurance Company, and will cover the southern portion of California for that company.

—Fire insurance agents throughout the country should advise the public of the fire danger attending illuminated Christmas displays, and of the liability of insurance policies being rendered void through increases of hazard of this nature.

—An effort is to be made at the next session of the California Legislature to have the laws so amended as to enable Oakland to have a fire insurance underwriters' patrol, such as is in effect at San Francisco and in the larger Eastern cities.

—"Special Hazards" is the title under which The Rough Notes Press has published in book form a series of ten lectures delivered by experts before the Insurance Club of Chicago. The subjects covered are "Hotels and Lodging Houses," "Storage Warehouses," "Grain Elevators," etc., "Theaters," "Oil Products," "Printing and Allied Industries," "Metal and Ore Products," "Fire Insurance Adjustments," and "General Agency Office Systems."

LIFE INSURANCE TOPICS

BOSTON AND VICINITY.

The Peoples Savings Bank of Brockton has filed a certificate with the Insurance Commissioner showing that it has complied with the necessary requirements for establishing a life insurance department.

It is doubtful, however, if any bank will be able to transact insurance business before next May, as it will require several months for the State actuary to complete his new mortality table and standard forms, which are to be used by the banks. The actuary, it is stated, believes that the rates will be lower than those charged by the industrial companies, "owing to the smaller cost to the banks of collecting premiums."

NOTES FROM PHILADELPHIA.

A syndicate of Philadelphians has secured control of the Home Life of Wilmington, Del. The new officers are: President, John Langham, Jr.; first vice-president, F. Pierce Buckley; second vice-president and superintendent of agencies, W. Y. Irwin; secretary, Joseph L. Durkin; treasurer, Edward P. Madden; solicitor, Charles J. Sharkey; medical director, Dr. S. Bryan Kyle; assistant medical director, Dr. Smith Cooper. While the company has heretofore transacted only an industrial business in its home State, it is the purpose of the new interests to enter it in Pennsylvania next year.

The Economic Life Insurance Company of Philadelphia has elected George S. Sartain assistant agency manager. He was formerly comptroller of the Pennsylvania Mutual Life, also of this city.

Both branches of city councils have passed a bill permitting surety companies to go on bonds to an amount five times their surplus and capital stock. Hitherto they were limited to five times their capital stock.

G. de la Regaudiere succeeds Lynch, Kindred & Wilkins as superintendent of agents of the Abraham Lincoln Mutual Life of this city.

The Standard Life and Accident has appointed Charles W. Schank general agent at Scranton, Pa. He was formerly manager of the Pennsylvania Casualty for the same territory.

THE MIDDLE STATES.

—The Loyal Association of Newark, N. J., has raised its rates.

—The Scranton Mutual Life of Scranton, Pa., reports over $2,000,000 written in its first two months, viz., $912,000 in September and $1,137,500 in October. It is aiming for a round two millions in November.

—A report of an examination of the Fidelity Mutual Life of Philadelphia by S. H. Wolfe for the Kentucky Insurance Department was made public last week by Commissioner Prewitt. The essential features of the report were covered in THE SPECTATOR some weeks ago. In transmitting the report to President Fouse, Mr. Prewitt says: "After carefully looking over the report, I am convinced that the company is in most excellent financial condition, and that the report taken as a whole is a very creditable one to the company and its management."

—The Provident Savings Life Insurance Society's affairs are still unsettled. When the Thomases were in control they used the stock of the society as collateral security for several notes discounted for them by different banks. They are now unable to redeem the stock, and hence no transfer can be made. Mr. Woodruff, who is temporarily president, is striving to adjust matters with a view to putting expert insurance men in charge. The Thomases are in a position much like that of the man who attempted to hold a bear, and after struggling with him for some time, began shouting for someone to come and help him to let go.

THE NEW ENGLAND FIELD.

—The Puritan Life of Providence began writing on November 12. The company has a paid-in capital of $109,030.

—The Yale Corporation has appointed the following lecturers on insurance: John B. Lunger, vice-president of the Travelers; John M. Holcomb, president of the Phœnix Mutual Life, and Richard Bissell, president of the Hartford Fire. Edward K. Root was appointed lecturer on life insurance examinations in the medical school.

THE WEST.

Great Western Life Insurance Company of Kansas City.

The Insurance Departments of Wisconsin, Missouri and Kansas have just completed a joint examination of the Great Western Life of Kansas City. The fact that this company wrote $22,000,000 of new insurance since it began business last April, has made it the target of a number of other concerns which have not had such marked success. Deputy M. W. Waite of the Wisconsin Department finds that from the very start the company's affairs have been managed with a marked degree of energy. He finds that the criticism of the company's methods has emanated principally from its competitors, and that its policy forms do not in any way violate the Wisconsin laws. The rates charged are said to be ample to safely provide the policyholders with insurance in the attractive forms offered by the company. The exacting Missouri law regarding deposit of securities has been complied with. In the company's statement of August 8, there was an item of "premiums due and unpaid $116,488." This item is accounted for by the very rapid rate at which business has been placed on the books. The examiner predicts a bright future for this progressive company.

—After being in business over two years, the Lincoln National Life of Fort Wayne, Ind., has received notice of its first loss, which is for $1000.

—A. A. Chamberlain, from the home office of the Equitable Life, has been appointed agency superintendent for the Western department at Chicago.

—The Attorney-General of Wisconsin has reversed the decision of the Insurance Department, and has ruled that life companies operating in Wisconsin may add a disability feature to their policies.

—The Northern Life of Seattle, Wash., has removed to larger quarters in the Mehlhorn building. In the first year of its existence this company has written policies amounting to $1,500,000 on citizens of its home State.

—Four thousand and thirty-five applications for membership were received at the home office of the insurance department, Knights of Pythias, during October; 4023 were fifth class (2990 being transfers, and 1033 new applications), and twelve were fourth class.

—The Wisconsin Insurance Department has ruled that companies that have withdrawn from the State will be permitted to appoint collectors to receive premiums and assessments from policyholders in the State, but such collectors will not be allowed to solicit business.

—The Inter-Ocean Life and Endowment Company of Kansas City, Mo., expects to begin business about January 1, 1908. The company is organized on the stipulated premium plan, and will later increase its capital to $100,000 and reincorporate as a legal reserve company.

—The Utah Association of Life Underwriters has placed itself on record as opposed to advisory board and stock agency schemes. The association has engaged the services of Senator Benner X. Smith to represent it before the Secretary of State to secure a ruling against the practices of a number of advisory board and stock agency companies now operating in the territory.

THE SOUTH.

—The Southern States Life of Charleston, W. Va., has entered Kentucky.

—The State Mutual Life of Rome, Ga., issued $24,917,930 of insurance in the ten months of 1907 as compared with $18,673,071 in the same period of 1906.

—The Insurance Department of New Mexico has recently licensed the following companies: Occidental Life, Nevada; Reliance Life, Pennsylvania; Bankers Reserve Life, Nebraska; Great Western Life, Kansas City Life, National Life, Iowa, Continental Life and Investment of Utah.

—Charles W. Dorsey has resigned as fourth vice-president and general manager of the Inter-Southern Life of Louisville to take effect December 15. Mr. Houston-Shaw, who for several months has been superintendent of agencies for Texas for the Inter-Southern, has severed his connection with that company, and has been made agency director of Southwestern territory for the Indiana National Life. Mr. Houston-Shaw is an insurance man of long and varied experience, and made a phenomenal record in Texas for the Inter-Southern. The Indiana National expects to actively enter the Southwestern field and push for business. W. D. Current, agency director of the Inter-Southern, has resigned to enter the financial field. He will act as financial agent in the South for several large corporations, with headquarters at Louisville, Ky.

—The Century for 1908 will contain as its principal features: "The Recollections of Lady Randolph Churchill," by Mrs. George Cornwallis-West; a series of portraits of prominent operatic artists, by Sigismond de Ivanowski; "Mars as a Possible Abode of Life," by Professor Lowell; "Sense and Sensibility," a collection of essays by Helen Keller; "The Red City," a novel by Dr. S. Weir Mitchell; interesting details regarding General Grant's last moments, by Dr. Shrady; "The Monuments of Egypt," by Robert Hichens; reminiscences of President Andrew Johnson, by William H. Crook. Marion Crawford will also be

MISCELLANEOUS LIFE NEWS.

FRATERNAL LIFE INSURANCE LAW CHART.

Analysis of State and Territorial Laws Pertaining to Fraternal Beneficial Societies.

Lee W. Squier of Philadelphia, as chairman of the committee on jurisprudence of the associated fraternities of America, has performed a very valuable piece of work in the compilation of a chart, giving an analysis of State and Territorial laws pertaining to fraternal beneficial societies. Eighteen columns are given in the chart covering the following topics: benefits permitted; withdrawal equities; beneficiaries outside of immediate family; requirements for admission and fee; requirements as to minimum rates and reserve; final date for filing report and fee; annual license required and fee; examination by Department and cost; taxation; Departmental rulings receivable; provisions for incorporation; service of process returnable and year of enactment. The chart is so arranged that every item referred to above may be promptly discovered in any particular State.

Mr. Squier, the compiler, is particularly well qualified for the labor involved in such a chart. He has been officially connected with the fraternal insurance movement for some fifteen years, was one of the founders of the Associated Fraternities of America, has served as president of that body, and for five years has been chairman of the committee on jurisprudence and legislation. Officers and others identified with fraternal societies may therefore use this chart with full confidence in its accuracy.

"Analysis of State and Territorial Laws Pertaining to Fraternal Beneficial Societies" is handsomely printed on a sheet capable of being hung conveniently on a wall and sells at $2 per copy. All orders should be addressed to The Spectator Company, 135 William street, New York, Sole Selling Agents.

American Real Estate Company.

Nearly twenty years ago a number of far-seeing men, believing in the tremendous possibilities of real estate in the outlying sections of what was then New York city, organized the American Real Estate Company for the purpose of dealing in real estate on a wholesale basis. Its success has been unqualified, and to-day it is the owner of record of many valuable properties situated in strategic locations along the line of the subway and other rapid transit lines running longitudinally through the city, thus securing in the largest degree that enhancement in value marked in all large cities, but which in New York has been an exceptional source of profit. By operating on a large scale, it has the power to buy at wholesale prices, to improve and force values, to protect against adverse conditions and to hold through periods of depression.

The American Real Estate Company is among the largest holders of real estate along the line of the subway, with extensive holdings directly at five important stations. These include the Dyckman street properties, comprising about 120 city lots; Kingsbridge properties, about 60 lots; Westchester avenue properties, about 1000 city lots, with over five miles of frontage along fifteen streets; important business sites at 149th street, Longwood avenue and Prospect avenue; Broadway property, comprising about 290 city lots, opposite Van Cortlandt Park, and the Park Hill properties, 1400 lots, in the city of Yonkers, adjoining New York city on the north. Many of these properties have already been improved with buildings suitable to the locality, including stores, elevator apartment houses, two-family houses and detached residences, while extensive building operations are constantly under way.

An attractive and safe investment in the bonds of this company is offered to investors of either large or small means. Its six per cent coupon bonds, to mature in ten years, are issued in denominations of $100, $500, $1000 and $5000. The interest on these bonds is payable semi-annually. They are negotiable and transferable by endorsement, or may be surrendered for cash at the option of the owner on any coupon date after two years on a three per cent basis. They may also be turned in at par and accrued interest at any time in payment for real estate for sale by the company on its regular selling conditions, and are subject to call at par on coupon dates after five years at the option of the company, upon sixty days' written notice to the holder. The old bonds issued by the company giving participation in the profits have proved highly remunerative, but are no longer issued, although the company still issues 6 per cent accumulative bonds, payable by instalments.

The latest annual statement of the company, as of December 31, 1906, showed assets amounting to $9,446,096 and a surplus of $1,419,518 over all liabilities and the capital stock of $100,000. The assets of the company at present exceed $10,000,000, and the surplus has also grown since the last annual statement. Very attractive high-class literature is issued by the company, and would-be investors will be supplied with the same on application to the general offices, which are located in the Night and Day Bank building, Fifth avenue and Forty-fourth street, New York city. Arrangements can also be made by agents to handle the bonds on satisfactory terms.

Valuation of Insurance Companies' Securities.

[To the Editor of The Spectator.]

I note the comment of Commissioner Rittenhouse of Colorado on the present values of securities held by life insurance companies as of this date, and I must confess he is to be congratulated on the broad, liberal way in which he views the present financial condition of the country.

If all Commissioners will co-operate with his liberal ideas in dealing with this subject, and when placing a valuation on properties belonging to life insurance companies, take into consideration and make allowances for the depressed condition and deprecations of stocks and bonds, it will be a fair decision, and will not only meet the approval of the companies, but the public in general, for I am sure every one knows who ever dealt in securities that their market value to-day isn't within from ten per cent to fifty per cent of their actual value under favorable conditions.

Very truly yours,

Detroit, November 15. M. W. Connors, Manager.

[The suggestion of Commissioner Rittenhouse of Colorado was to the effect that the several Insurance Commissioners should get together and agree to allow a company to be impaired up to twenty-five per cent, because of depreciation of securities, without taking any adverse action. While the laws of some States permit an average valuation of securities over a considerable period, other States specify that the valuation must be taken as of December 31 each year. Insurance Commissioner Folk of Tennessee, who is president of the National Convention of Insurance Commissioners, after considering the suggestion of Mr. Rittenhouse, has called a meeting of the executive committee of the convention for to-day at the Manhattan Hotel, New York.—Editor The Spectator.]

—In another column a young man advertises for an executive position with a life insurance company. He is a qualified actuary of twelve years' experience, and has also been successful in handling agents.

—Commissioner Basford of South Dakota holds that the requirements of section 695 as to deposit of reserves with the proper State official will be amply met by proof that a company has ample resources to cover the reserves on its policies.

—A meeting of policyholders of the Mutual Life Association of Australia was held on September 18, and the amalgamation with the Citizens Life Assurance Company, under the style of the "Mutual Life and Citizens Assurance Company, Limited," approved.

—During October the Royal Arcanum added $250,000 to its reserve fund, which now amounts to $3,684,697, of which $449,697 represents interest accumulations. The new applications received in the month numbered 923, and there were 67 re-instatements. The deaths numbered 234 and suspensions 718, so that a net gain in membership of 38 was made.

—Joseph B. Pierce, secretary of the Hartford Steam Boiler, died in Hartford on November 12. He was born in 1835, and began his insurance career with the North American Fire of Hartford. He later became adjuster and secretary of that company, which went out of business in 1871. He then became general agent of the National Fire, and later secretary of the Hartford Steam Boiler. He was considered an expert on steam boiler inspection and insurance and was held in high esteem by all who knew him.

Casualty, Surety and Miscellaneous

Casualty Matters in Great Britain.

[From Our London Correspondent.]

Interest here continues to center in the accident department of insurance. Among the latest developments is the offer of several companies to cover under one policy the risks of householders in respect of fire, burglary and workmen's compensation (domestic servants). A leading office in a recent circular, however, while expressing a wish to enable its agents to compete with others in this respect, states that it has had very few inquiries for such a form of policy, and that for many reasons it is considered an inconvenient and undesirable method of covering three different classes of risk.

The policy itself is, of course, naturally a complicated document, and it remains to be seen how far it will prove popular with the insuring public.

The increase during the last few years in the number of infectious and other diseases included in the ordinary personal accident policy has now apparently reached its limit, and a decided tendency to issue policies extending to every description of illness is manifesting itself amongst the offices transacting accident insurance business. Indeed now that such offices as the Sun, Royal Exchange, Commercial Union, Law Accident, Scottish Temperance, and others, have included cover against all sickness in their respective programmes, there is little doubt that the movement will become more or less general. Two of these companies—the Scottish Temperance and the Law Accident—have just issued a special prospectus dealing with the matter: and in this way the accident department of insurance is assuming increasing importance in the public mind and estimation.

The first legal decision in connection with the workmen's compensation act, 1906, has been received with misled feelings in insurance circles. The sum of money involved in the case was altogether trivial, but the judgment may have curious effects. Briefly stated, the facts adjudicated upon were these. A widow, owning house property, employed a laborer to do whitewashing, and whilst so engaged he fell from a ladder and sustained a broken rib. The point upon which the validity of the claim for compensation turned was whether, under such conditions, the person employed should be regarded as a "servant," or as a "contractor." In giving a verdict for the plaintiff the judge expressed the opinion that as the legislature had not exhaustively defined "service" he must consider all the circumstances. It made no difference, he held, whether payment was made by the day, or, as in this instance, by the piece. The man was to provide his own material, which would support the view that he was a contractor; but he was doing the work himself, and, moreover, he was laying himself out to get a livelihood by doing work of this kind: and his usual wages, twenty to twenty-five shillings per week, were those of a laborer. His honor, therefore, concluded that the relationship of master and servant applied—but added that had the claimant not been a poor man he would have liked the case to go to appeal in order that an authoritative decision might be obtained. The result of this case is likely to increase the number of applicants for insurance protection. At the same time it can hardly fail to have the effect of considerably swelling the number of claims with which insurance companies will be called upon to deal. Charters.

London, November 12.

The American Surety Company of New York.

REPORT OF EXAMINATION BY THREE INSURANCE DEPARTMENTS

The Insurance Departments of Maryland, Minnesota and Virginia have been conducting a joint examination of the American Surety Company of New York. S. H. Wolfe was the examiner in charge, and was assisted by representatives of each Department. The report in full is as follows:

The American Surety Company began business April 15, 1884. It operates in conformity with the act of the legislature of the State of New York entitled "an act to provide for the incorporation of life and health insurance companies and in relation to agencies of such companies," passed June 24, 1853, and the several acts amendatory thereof and supplemental thereto. In addition to this, it operated under the act of the legislature entitled "an act to facilitate the giving of bonds required by law," passed June 13, 1891. At the present time Article III. of its amended charter provides:

"The kind of business to be undertaken by the company shall be the guaranteeing of fidelity of persons holding places in public or private trust, guaranteeing the performance of contracts other than insurance policies and executing or guaranteeing bonds and undertakings required or permitted in all actions or proceedings or by law allowed."

At the time of its incorporation its capital stock was $500,000; in 1887 the capital was increased to $1,000,000; in 1892, to $2,000,000, and in 1895, to its present figure, $2,500,000.

Annual Statement December 31, 1906.—Its annual statement was checked, and the results of our investigation indicate that it correctly set forth the condition of the corporation at that time. In the belief that it would be more satisfactory to you to ascertain the company's condition at a later date, the examination was brought down to September 30, 1907, the excellent system of accounts rendering this an easy matter.

STATEMENT, SEPTEMBER 30, 1907.

Assets.		
Book value of real estate		$3,148,837.64
Book value of bonds and stock		2,922,639.59
Cash in company's office		2,500.00
Cash deposited in banks		656,370.38
Deposited in insolvent bank		2,309.70
Interest accrued on bonds		23,282.78
Interest accrued on other assets		4,550.00
Rents secured		8,587.52
Uncollected premiums, less than three months past due		171,455.77
Uncollected premiums, more than three months past due		162,993.30
Gross assets		$7,103,526.68
Assets Not Admitted.		
Uncollected premiums, more than three months past due	$162,993.30	
Depreciation in bonds and stocks	236,897.17	
Deposits in insolvent bank	2,309.70	
		402,200.17
Admitted assets		$6,701,326.51
Liabilities.		
Unpaid claims		$559,896.03
Unearned premiums		1,126,652.37
Commissions payable on uncollected premiums		12,382.56
Salaries, taxes, bills, etc., due or accrued		99,063.22
Return premiums		3,635.26
Due Munich Reinsurance Company		1,594.39
Exchange of checks		2,347.77
Capital stock		2,500,000.00
Surplus over all liabilities		2,395,754.91
Total		$6,701,326.51

Real Estate.—The figure at which the company carries its real estate holdings appears to be a conservative one, and it was deemed necessary to make no change in this item.

Bonds and Stocks.—All of the bonds and stocks claimed were either exhibited or in their place, receipts showing deposits with State or Government officers.

Cash in Banks.—All of the bank accounts were reconciled and certificates obtained from all of the institutions with the exception of one in Texas, which did not respond to letter of inquiry. As this balance amounts to only $100, it was deemed unnecessary to pursue the inquiry further. While the deposit in the insolvent bank has been disallowed, it seems reasonably certain that some salvage will be received on this amount in the future. The uncertain nature of it, however, has indicated the wisdom of disallowing it from this statement.

Unpaid Losses.—The figure carried in the statement is the figure which the company uses in its books. This treatment is justified by a critical examination of the loss record of this company, which indicated that it had charged itself with a sufficient and adequate liability on this account in its various annual statements.

Unearned Premium.—An accurate tabulation was made from the expiration cards, with the result that a smaller liability was obtained than the one appearing on the books of the company, the cause for this apparently being that until definite advices of cancellation are received it is the practice of the company to continue the reserve in its accounts. The figure used in the statement, however, is the one appearing in the company's books. In connection with this, it is worthy of mention that this company takes cognizance of the increased liability resulting from term business, and charges itself with a proportionate amount of unearned premium.

Commissions Payable on Uncollected Premiums.—The small figure appearing on account of this item is due to the fact that the company pays a salary to most of its representatives, and this liability is an accurate calculation of the amounts still remaining unpaid on this account.

Unpaid Bills.—This item is unusually large, as it includes an item of $62,175.94 of real estate taxes, which were paid by the company on October 7 on its New York city property. The comptroller of the company has questioned the correctness of this treatment of the item, claiming that only nine-twelfths of the year's taxes should be considered as accrued on September 30. The exact nature of this liability is difficult to determine, and its correct treatment is open to debate, but, inasmuch as the company paid this bill on October 7, I have deemed it advisable to consider that the discounted amount of the taxes was due on September 30, and have accordingly included this figure in the liabilities. Included in these unpaid bills is also an item of $12,500 of accrued rent for the Schermerhorn building. Your attention is respectfully directed to the fact that in the treatment of this item no credit has been given the company for numerous items to which it might justly contend it was entitled; for example, the unearned fire insurance premium. The attitude of the officers of the company, however, was that the most rigorous tests should be applied to it, and whenever a doubt existed it should be resolved against the company.

Exchange of Checks.—It was impossible to verify this item, resulting as it does from a balance remaining in the hands of the company upon transactions which have not been concluded. The company, in accordance with the terms of some of its bonds, may receive amounts to be subsequently disbursed, and this liability represents the balance remaining in its hands and subject to withdrawal as soon as the parties to the contract can be located.

Capital Stock.—The outstanding certificates were checked. Owing to the change in the capital stock from time to time there have been a great number of certificates issued. It was not to be unexpected, therefore, that four canceled certificates should have become lost. An examination of the books of the registrar of the stock, the Morton Trust Company, was made, with the result that the examiner was satisfied as to the non-existence of these certificates.

Methods.—It would be difficult to imagine a more satisfactory condition of affairs existing in an insurance office than was found here. The company's treatment of its policyholders is just and liberal; its bookkeeping and accounting methods are most excellent; the checks which the various departments have upon the operations of each other are thorough and complete; the premiums charged are adequate, and seem to be calculated with a due regard for scientific necessities. While an inconsiderable number of bonds was found in excess of the ten per cent limitation, it is the express intention of the officers to confine their future issues and renewals strictly along the lines of the present limitation laws. Every facility was afforded the examining force for obtaining the information which it desired.

Salvage.—The company has a large amount of salvage which it has received on its claims, no credit for which is given in this statement. Those assets which are not carried on the books of the company amount to over $200,000.

It seems that some method should be devised whereby corporations of this nature can receive credit for assets of this kind, and we respectfully recommend that some rational rules be agreed upon by Insurance Departments for the treatment of this item.

Casualty Notes.

—The Indiana and Ohio Live Stock has been admitted to California.

—W. I. Cornell, formerly with The Insurance Press, has been appointed special agent of the Hartford Steam Boiler for New York State.

—The Preferred Accident has sold its British busiuess to the Employers Liability Assurance Corporation aud closed its foreign branch.

—The Farmers and Citizens Live Stock Insurance Company, recently organized at Lima, Ohio, expects to begin writing on January 1, 1908.

—The Pennsylvania Casualty is closing a very satisfactory year in all departments. From preseut reckonings it will be in its handsome new home early in the spring.

—Charles S. Black succeeds the late Joseph B. Pierce as secretary of the Hartford Steam Boiler Inspection and Insurance Company. Mr. Black was elected second vice-presideut of the company in February last.

—H. A. Baumhart, for several years chief inspector of the Northern Ohio department of the Hartford Steam Boiler Inspection and Insurance Company, at Cleveland, succeeds C. A. Burwell as manager of the department. The latter is quite advanced in years.

—The Franklin Casualty Company is being organized in Philadelphia, with $200,000 capital and $100,000 surplus. John M. Boggs, formerly with the Philadelphia Casualty, will be presideut of the new compauy, which will write only accident and health liues. Offices have been opened at 120 South Fourth street.

—The Ætna Indemnity Compauy has elected the following directors: J. G. Robin, president of the Washington Savings Bank; W. A. Keener, ex-judge of the Supreme Court; Westou L. Lewis, attorney; Chas. C. Dickinson, vice-president of the Carnegie Trust Company. Tbe resiguation of John Sloan and Richard Harvey were accepted.

—The States Accident Insurance Company is being organized in Cbicago, by Jesse P. Van Doozer, formerly with the Chicago ageucy of the State Mutual Life of Massachusetts. Those interested in tbe organization of the company are: Herbert C. Arms, Thomas L. Berry, A. E. Butler, J. L. Flannery, Jr., William L. Eaton, George R. Hess, A. V. Kousberg, Charles A. Lawes, Percy C. Pickrell and Jesse P. Van Doozer.

—The Peunsylvania Casualty entered Maryland the latter part of October, placing the State agency with the Maryland Agency Company of Baltimore. Under the vigorous management of President Leviness, the Maryland Agency Company has made a phenomenal record and the company is to be congratulated on having its agency iu such able hands. With Maryland, the company is now operating in twenty-one States and the District of Columbia.

—Edward R. Randall, assistant manager of liability department of the Empire State Surety, has resigned, accepting a position of like cbaracter with the Atlantic Casualty of Philadelphia. Mr. Randall was formerly associated with the Frankfort Marine Accident, the Fidelity aud Casualty, and had been with the Empire State Surety since the inception of its liability department. Clareuce C. Jenkins, assistant secretary of the Empire State Surety, has also resigned.

—The Pennsylvania Casualty is mailing a most excellent series of post cards to a selected list of agencies, with a view to interesting them in its various lines. Aside from being unique examples of design and typography, the cards are of especial value as each one presents some fact or series of facts concerning the company, its policies or methods. The post cards, the first of the kind to be issued by any casualty company, will illustrate the aggressive, up-to-the-minute methods of the Pennsylvania Casualty.

Surety Notes.

—The Federal Uuion Surety Company has secured the bonding business of the Indiana Bankers Association for 1908.

—Williamson & Moyles have been appointed general agents for the Fidelity and Deposit Company in San Francisco.

—Bonding companies are proceeding very cautiously in covering concrete construction risks owing to tbe frequent failures in this line of work.

—"Our Company," the new official organ of the Title Guaranty aud Surety Company, reflects a great deal of credit upon H. H. Lovell, manager of the surety department. The first number of this publication, which has just come to hand, bears evidence that future editious will be looked forward to with keen iuterest by all those affiliated with the Title Guaranty and Surety.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, togetber with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, $7; book only, $5; monthly supplement only, $2 per annum.

Colonial Assurance Company, Winnipeg, Man.

This company is writing surplus lines in this country through McLean, Stinson & Co., Ltd., of Toronto, whose representative in the United States is Eugene I. Wile of Chicago. The Colonial's financial statement as of December 31, 1906, showed total cash assets, $34,124; stockholders' notes, $40,000; total assets, $74,124; total liabilities, $10,334; capital paid up, $10,000; net cash surplus, $13,790.

Columbia Fire Insurance Company, Washington, D. C.

The entire outstanding risks of this company have been reinsured in the Royal of Liverpool. The Columbia will retire from business.

Continental Fire Insurance Company, Little Rock, Ark.

All of the outstanding risks of this company have been reinsured in the Spring Garden. It is now in process of liquidation.

German Insurance Company, Freeport, Ill.

Judge Heard entered an order last week in the Carroll County Court directing the transfer of the German Insurance Company's estate to the Royal Insurance Company of Liverpool, which purchased the assets for $2,135,000. This action terminates the official existence of the German and the German receivership.

German National Insurance Company, Chicago, Ill.

Preliminary to the transfer of the German of Freeport's assets to the Royal of Liverpool, which took place last week, the receivership of the German National, which was owned by the German of Freeport under a policy guarantee, was closed up and the receiver discharged.

Home Insurance Banking and Trust Company, Galveston, Tex.

Richard Franklin of Houston, Tex., was recently appointed receiver of this company.

London and Westminster Fire Insurance Company, London, Eng.

This company is writing surplus lines in this country through Charles E. King & Co. of New York.

Merchants Fire Insurance Company, Little Rock, Ark.

This company's contract with the Illinois National Fire of Springfield, by which the latter was to have reinsured the Merchants' outstanding business, having been canceled, the entire risks of the Merchants were recently reinsured in the Queen City Fire of Sioux Falls.

National Fire Insurance Company, Little Rock, Ark.

This company has reinsured all of its outstanding risks in the Home of New York, and is in process of liquidation.

New England Fire Insurance Company, Providence, R. I.

The stockholders of this company have paid in $100,000 to capital account and $50,000 to surplus, thereby increasing the capital to $200,000 and the surplus to approximately $140,000.

Pennsylvania Fire Insurance Company, Philadelphia, Pa.

The Insurance Commissioner of Colorado, in replying to the communication from President R. Dale Benson of the Pennsylvania Fire, reviews the Union Insurance Company matter and closes with a statement that he will not suspend the Pennsylvania's license to transact business in Colorado.

TOO LATE FOR CLASSIFICATION.

A. M. Thorburn & Company to Manage Banta Agency.

At a meeting of companies represented by the W. S. Banta agency, in New York, it was unanimously decided that the agency should be continued under the management of A. M. Thorburn and Fred. S. Little, operating under the firm name of A. M. Thorburn & Co. The companies remaining in the agency are the Westchester, Firemans Fund, Colonial, Pennsylvania, Union, Dixie and Reliance. The Springfield Fire and Marine will be represented in New York and Brooklyn by Chas. G. Smith of the German-American. The new arrangement is considered an excellent one for the estate of W. S. Banta, which will have a beneficial interest in the business. Messrs. Thorburn and Little are well and favorably known, and the company's affairs in New York should prosper under their control.

"The Force of a Good Example".—A Leaflet.

I believe the leaflet, "The Force of a Good Example," published by The Spectator Company, the best hammer to drive the nail home that I have ever read. I enclose herewith my check, for which kindly forward me 100 more copies of same at once.—F. W. Heron, General Agent, the Fidelity Mutual Life,

SURETY, PLATE GLASS AND OTHER MISCELLANEOUS INSURANCE FORMS.

The Spectator Company will shortly publish a manual dealing with miscellaneous forms of insurance, covering the following: Surety, fidelity, plate glass, burglary, credit, physicians', druggists' and dentists' liability, general water damage, sprinkler damage, title guarantee, fly-wheel and strike insurance.

This matter will first be published in the current issues of The Spectator, and afterward made up into book form for the information and use of managers, agents, and brokers interested in the miscellaneous forms of insurance, and for policyholders.

The present article concludes the resume of surety and fidelity bonds, and descriptions of plate glass, burglary, and other forms of miscellaneous insurance.

Second Article—Fidelity and Surety Bonds—*Continued.*

Judicial Bonds.

Corporate bonds are generally preferred to personal bonds. In the case of replevin, appeals, supersedeas, maritime libel, injunctions, attachments, release of attachments, petitions, civil arrests, capias, indemnity to sheriff, land damages and security for costs, it is usually required by law that a bond be furnished guaranteeing that any damages resulting from the action will be promptly settled, and that the costs will be promptly paid into court. The amount of the bond is determined by the court, and in appeal cases is fixed at double the amount of the judgment. The premium is fixed upon the nominal amount of the bond.

Fiduciary Bonds.

These bonds combine the features of both judicial and fidelity bonds, covering the faithful performance of duties and responsibility for the handling of funds, and are issued to persons holding property or funds in trust for others. All trustees are required to keep strict account of these transactions. The class to which these bonds are issued are assignees, receivers, guardians, trustees and executors.

It must be kept in mind that the period for which a bond is required in the cases mentioned must continue until the trust is discharged, whether it be one year or twenty years, and that the selection of a good company is of first importance. The bond, once issued, cannot be canceled provided the premium is paid.

State, county, municipal and many Government officials are required to furnish bond for the faithful performance of duty, fidelity of trust and for responsibility for official acts.

Plate Glass Insurance—Conditions under which it is Written—Responsibility of Companies—Manual of Instructions to Agents—Tariff of Rates—How Plate Glass is Measured—Insurance Applicable to all Cases.

The constantly increasing use of plate glass in modern buildings, and the necessity of adopting plate glass show cases to give effective display to various forms of merchandise has resulted in the constant growth of plate glass insurance, by which a company carrying a policy on any risk will, upon notice of a loss, at once proceed to repair the loss and take charge of the salvage. The assured is relieved of trouble beyond notifying the company of any breakage.

The agent should read carefully the following rules, rates and classifications, from which no deviations are allowed. Agents should be especially carefully to see that every portion of the application is correctly filled out, so that proper information may reach the company of the risk to be covered. Any neglect in this respect may lead to dissatisfaction to the assured, the company and the agent.

No agent is permitted to change in any respect the conditions of the policy, or to grant, by indorsement or otherwise, any privilege or concession not already embodied in the printed conditions thereof.

No policy shall be issued for a longer period than one year, except for a fractional part of the next succeeding year.

Whenever it shall be necessary to issue a blanket policy on a risk, the agent must refer to the company.

Any omission of certain lights of glass contained in any store front basement, or grade floor risk, where any glass is insured, must be provided for in the policy by an indorsement explaining such omission, either specifically or in a general way by using the phrase "insurance on balance of glass not wanted," and under no circumstances must any light of glass be omitted if the risk contains one or more other lights of the same size, unless such omission is specifically mentioned by stating the size and location of such light or lights, and, in the event of the covering of glass contained in any story above the store risk, or of inside glass, these instructions shall apply separately thereto.

No policy shall be issued covering a partial interest or ownership in plate glass, unless the full premium is charged for every light covered as if full interest was insured, nor shall any glass be insured at a specific valuation (except as provided for under ratings for fancy glass) at any less premium than that chargeable for replacement.

Instructions on Underwriting.

It is important for the agent to satisfy himself that the glass to be insured is properly set and free from cracks. Cracked glass, if insurable, to be plainly designated by diagram showing nature of break.

Obtain the number of panes or lights, the exact size of each and

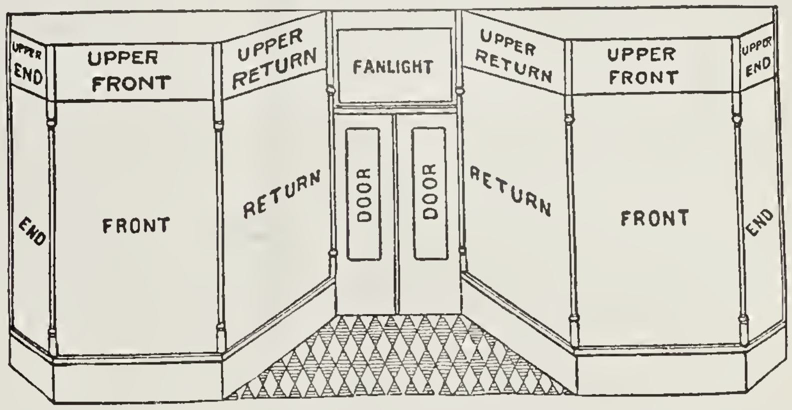

DIAGRAM OF STORE FRONT GIVING DESIGNATION OF DIFFERENT LIGHTS

the position they occupy in the window. They are usually described as the "front lights," "vestibule" or "return to the door" lights, "end" or "return to buildings" lights, "door" and "fan" lights, and where the lights are set one above another they are designated as "upper" or "lower" lights.

Premium Charge.

The premium for any size glass will be found by referring to the manual rates issued by the companies. The figures along the top of

SAMPLE OF MEASUREMENTS.

Length.	Width.					Length.	Width.				
	90	92	94	96	98		90	92	94	96	98
90.....	3.15					156....	8.26	8.43	13.77	14.04	14.31
92.....	3.22	3.30				158....	8.36	13.63	13.90	14.22	14.50
94.....	3.30	3.37	3.42			160....	8.47	13.81	14.09	14.40	14.67
96.....	3.35	3.42	3.50	3.57		162....	13.68	13.95	14.26	14.58	14.85
98.....	3.42	3.50	3.57	3.65	3.75	164....	13.81	14.13	14.45	14.76	15.03
100.....	3.50	3.57	3.65	3.72	3.81	166....	13.99	14.31	14.63	14.94	15.21
102.....	3.57	3.65	3.72	3.80	3.88	168....	14.18	14.49	14.81	15.12	15.39
104.....	3.65	3.72	3.80	3.87	3.95	170....	14.36	14.67	14.99	15.30	15.61
106.....	3.70	3.80	3.87	3.95	4.03	172....	14.49	14.81	15.12	15.48	15.79
108.....	3.77	3.87	3.95	4.02	4.10	174....	14.67	14.98	15.30	15.61	15.97
110.....	3.85	3.92	4.02	4.10	4.18	176....	14.81	15.16	15.48	15.79	16.15
112.....	3.92	4.00	4.10	4.17	4.25	178....	14.98	15.34	15.66	15.97	19.62
114.....	4.00	4.07	4.17	4.25	4.32	180....	15.16	15.48	15.84	16.16	19.84
116.....	4.05	4.15	4.25	4.32	4.40	182....	18.45	18.85	19.26	19.66	20.07
118.....	4.12	4.22	4.32	4.40	4.85	184....	18.63	19.03	19.44	19.89	20.29
120.....	4.20	4.30	4.37	4.47	4.95	186....	18.85	19.26	19.66	20.07	20.52
122.....	4.27	4.37	4.45	4.92	7.03	188....	19.03	19.44	19.89	20.29	20.74
124.....	4.35	4.42	4.90	5.00	7.14	190....	19.26	19.66	20.11	20.52	20.97
126.....	4.40	4.87	4.97	7.10	7.24	192....	24.30	24.84	25.38	25.92	26.46
128.....	4.47	4.95	7.07	7.24	7.38	194....	24.57	25.11	25.65	26.19	26.73
130.....	4.87	7.03	7.18	7.35	7.49	196....	24.79	25.38	25.92	26.46	27.00
132.....	5.00	7.14	7.31	7.46	7.59	198....	25.06	25.60	26.19	26.73	27.27
134.....	7.10	7.24	7.42	7.56	7.73	200....	25.29	25.87	26.46	27.00	27.58
136.....	7.21	7.35	7.52	7.67	7.84	202....	25.51	26.12	26.73	27.34	27.74
138.....	7.31	7.46	7.63	7.81	7.94	204....	25.92	26.32	26.93	27.54	28.15
140.....	7.42	7.56	7.73	7.91	8.05	206....	26.12	26.73	27.13	27.74	28.35
142.....	7.52	7.70	7.84	8.01	8.19	208....	26.32	26.93	27.54	28.15	28.75
144.....	7.63	7.81	7.94	8.11	8.29	210....	26.53	27.13	27.74	28.35	28.96
146.....	7.73	7.91	8.08	8.26	8.40	212....	26.93	27.34	27.94	28.55	29.16
148.....	7.84	8.01	8.19	8.36	13.59	214....	27.13	27.74	28.35	28.96	29.56
150.....	7.94	8.11	8.29	8.47	13.77	216....	27.34	27.94	28.55	29.16	29.77
152.....	8.05	8.22	8.40	13.68	13.95	218....	27.54	28.15	28.75	29.36	29.97
154.....	8.15	8.32	13.59	13.86	14.13						

each page represent the smallest measurement or the width of a light in inches, and those at the side, the height or longest measurement.

At the junction of the two columns you will find the premium in dollars and cents. This applies whether the light is set horizontally or perpendicularly. If the glass measures odd inches or parts of inches, take the next largest even number to obtain the premium. A sample of two of the pages in the manual are given here at length.

To ascertain the premium on sizes of glass not given in the manual, the excess of inches in length shall be taken therefrom and added to the width, but no greater excess shall be taken from the length of any light than is required to obtain a width which shows a premium charge.

Glasses measuring between the sizes shown in the manual (i. e., odd or fractional inches) shall take the next higher size.

When computing premiums on lights of glass that are odd inches in dimensions or fractional parts of an inch, whether odd or even (for example, the light to be insured being 137 x 35 or 24¼ x 60½), said lights are to be charged for as though they were 138 x 36 and 26 x 62, being the next higher even sizes; the exact sizes, however, to be stated in the policy.

To ascertain the correct size of glass for insurance purposes, the daylight measurement (i. e., from sash to sash) must be taken in all cases, and three-quarters of an inch added to the length and to the width to cover the setting in rabbet, and the premium must be charged on the size thus obtained, having in mind the rule relative to odd inches and fractional parts of an inch, as given above.

Commercial Risks.

Including all risks not elsewhere specifically provided for.

Exterior Glass—Building Without Basement.

Grade Floor.—All exterior plain plate glass, the lower edge of which is less than eight feet above the sidewalk—book figures.

All exterior plain plate glass, the lower edge of which is eight feet or more above the sidewalk—one-half book figures. If ornamented, proper percentage shall be added, as provided herein.

Upper Floors.—All exterior plain plate glass (front or rear) in any floor above grade floor of building, or in a gallery or balcony, provided lower edge of said glass is eight feet or more above sidewalk—20 per cent of book figures. If ornamented, proper percentages shall be added, as provided herein.

Vestibule glass in commercial risks leading to dwelling apartments, including outer or inner doors, fans and side lights, classed as dwelling—see paragraph 21.

All ornamentation (except embossed number and beveling) as well as bent lights, however, must be charged for at the percentages provided for such ornamentation or bending.

Building With Basement.

Basement.—All exterior plain plate glass (regardless of height from sidewalk) when in basement used for commercial purposes, shall be charged for at book figures. Upper lights and transoms not being subject to discount.

First Floor Over Basement.—All exterior plain plate glass, except upper glass (front or rear), set in a story occupied for commercial purposes, directly over basement, provided lower edge of said glass is eight feet or more above sidewalk—two-thirds of book figures. Upper glass on said floor—one-half book figures. If ornamented, proper percentage shall be added, as provided herein.

If lower edge of glass on said floor is less than eight feet above sidewalk, grade floor rate will apply.

All exterior plain plate glass (front or rear) in all floors above the floor over basement—20 per cent of book figures. If ornamented, proper percentage shall be added, as provided herein.

Vestibule glass in commercial risks leading to dwelling apartments, including outer or inner doors, fans and side lights, classed as dwelling—see paragraph 21.

All ornamentation (except embossed number and beveling) as well as bent lights, however, must be charged for at the percentage provided for such ornamentation or bending.

Inside Glass.—Inside plain plate glass (except show cases and mirrors), in commercial risks, saloons, cafés and billiard rooms—one-half book figures. When bent or otherwise ornamented the proper percentage shall be added, as provided herein.

Inside glass includes all glass wholly inside of the outer permanent doors of a commercial risk excepting show cases and mirrors.

Arcade Glass.—It is understood that by the term "arcade" is meant a public passageway open to the use of pedestrians only.

All glass (excepting inside glass, show cases and mirrors) on arcade, subject to a reduction of 50 per cent from the rate provided for same style of glass in commercial risks on a public street.

Inside glass show cases and mirrors in arcade stores rated as in ordinary commercial risks.

Churches.

All exterior and interior plain plate glass in churches—one-third book figures. If ornamented, proper percentage shall be added, as provided herein.

Art or cathedral glass (except memorial windows) in churches or private residences—2 per cent on valuation. Such valuation to be stated in the policy, and must not be less than $1 per square foot. If any building other than a church or private residence—5 per cent on valuation.

Memorial windows—see paragraph 58.

Clubhouses.

All exterior and interior plain and beveled plate glass, and plain and beveled mirrors in that portion used for dwelling and clubhouse purposes only, rated same as dwellings. Show case glass not included.

Show case glass, wherever located in clubhouses, plain—three-fifths of book figures. If beveled or otherwise ornamented, the proper percentage shall be added, as provided herein.

Show case glass in clubhouses, wherever located, clamped or glued—book figures plus 50 per cent. If bent or otherwise ornamented, the proper percentage shall be added, as provided herein.

All exterior and interior glass in that portion of clubhouse occupied as stores shall be rated as in commercial risks.

Awnings or canopies, see paragraphs 46-48.

Dwellings.

All exterior and interior plain or beveled plate glass, or plain or beveled mirrors, in dwellings—one-half book figures.

Cathedral or art glass (except memorial windows) in dwellings—2 per cent on valuation insured, which shall not be less than $1 per square foot, said valuation to be specified in the policy.

Memorial windows, see paragraph 58.

Awnings or canopies, see paragraphs 46-48.

Vestibule lights in commercial risks leading to dwelling apartments, inside or outside glass, classes as dwelling risk—one-half book figures. All ornamentation (except embossed number and beveling) as well as bent lights, however, must be charged for at the percentages provided for such ornamentation or bending.

Hotel Buildings.

All interior and exterior glass in that portion of hotel occupied as stores to be rated the same as similar glass in commercial risks except mirrors in cafés and billiard rooms.

Hotel dining rooms without bars not classed as stores.

Mirrors in cafés and billiard rooms, see paragraphs 39-40-43.

All exterior plain plate glass on the grade or basement floor of hotels, except in that portion occupied as stores—two-thirds of the book figures. If ornamented, proper percentages shall be added, as provided herein.

All exterior plain plate glass in hotel floors above the grade floor—20 per cent of book figures. If ornamented, proper percentage shall be added, as provided herein.

All interior plain and beveled plate glass and plain and beveled mirrors, excluding show cases, in hotels, except in that portion occupied as stores—one-half of book figures. (Hotel dining rooms without bars not classed as stores.) If ornamental, except beveling, proper percentage shall be added, as provided herein.

Hospitals, Municipal Buildings and Libraries.

All interior and exterior plain and beveled plate glass, and plain and beveled mirrors and plain show cases in the above—one-half book

figures. If ornamented, proper percentage shall be added, as provided herein.

Show case glass, clamped or glued, in the above—book figures.

Theaters classed as commercial risks.

Show Cases in Stores Not Including Wall Cases.

This paragraph does not apply to any class of risk except stores. For other classes see special sections.

Show cases, plain (not clamped, glued or ornamented), add 50 per cent to book figures. If bent, double the plain glass rate, or three times book figures. If otherwise ornamented, proper percentage should be added, as provided herein.

Shelves, either rough or polished edges, in inside show cases in commercial risks—book figures plus 50 per cent.

Mirrors inside of show cases of any manufacture, provided the mirrors themselves are not clamped or glued—book figures.

Clamped or glued show cases—two and one-half times book figures. (Waiving the additional 50 per cent provided in paragraph 23 for plain cases.)

If also bent or otherwise ornamented, proper percentage shall be added, as provided herein.

Show cases inside or outside fastened with screws, but not clamped or glued, shall be charged for at a rate of 50 per cent more than for plain plate show cases similarly located.

Shelves in such show cases—book figures plus 50 per cent for inside cases and plus 100 per cent for outside cases.

Show case, glass outside (plain plate glass not clamped or glued), including shelves either rough or polished edges—twice book figures.

When same is bent or otherwise ornamented, proper percentage shall be added, as provided herein.

Show case, glass outside, clamped or glued—five times book figures.

If bent or otherwise ornamented, proper percentage shall be added, as provided herein.

Shelves in such outside show cases, either rough or polished edges—twice book figures.

Wall case, glass same as inside glass—see paragraph 10.

Mirrors.

Mirrors, plain, in commercial risks—book figures less 20 per cent.

Mirrors, beveled, or otherwise ornamented (not bent) in commercial risks—book figures. If bent, the proper percentage shall be added, as provided herein.

Mirrors, plain, in saloons, cafés and billiard rooms, except clubhouses and dwellings—book figures plus 20 per cent.

Mirrors, beveled, or otherwise ornamented (not bent) in saloons, cafés and billiard rooms, except club houses and dwellings—book figures plus 30 per cent.

Mirrors, outside, beveled or otherwise ornamented (not bent)—twice book figures.

Mirrors (not bent) when in show cases set in frames—book figures.

If any of the above mirrors are bent, same shall be subject to an increase of 100 per cent over the rate named.

For mirrors in club houses and dwellings, hospitals, municipal buildings and libraries, see special section.

Mirrors, clamped or glued—three times book figures.

Art glass (except in churches and private residences), whether cathedral, jeweled or metal, including coppered, leaded, etc., except in memorial windows, awnings or canopies—5 per cent on valuation insured, which shall not be less than $1 per square foot. Valuation to be specified in the policy. This rate is not subject to reduction on account of location in building.

Churches and private residences—see sections 14 and 20.

Awnings or canopies outside of any floor in any class of building, when composed of flat glass, whether plain, wired or rough glass—twice book figures.

Awnings or canopies outside of any floor when composed of bent glass—four times book figures.

Measurements of each light to be specified.

Awnings or canopies outside of any floor when composed of art glass of various patterns, or leaded cathedral glass, the charge shall be as follows: 5 per cent on a valuation of $10 per running foot when attached to dwellings or club houses without stores, and 7½ per cent on said valuation when attached to saloons or other commercial risks.

Measurements to be from building front to building front outside the awning edge.

Bent glass, not ornamented, containing 54 square feet or less, add 100 per cent. If ornamented—see paragraph 52.

Bent glass, not ornamented, exceeding 54 square feet, add 200 per cent. If ornamented—see paragraph 52.

Beveled or polished edge plate glass, add 20 per cent.

Canopies—see paragraphs 46-48.

Chipped, cut, embossed, mitred, stippled or ground glass, add 100 per cent for one style of above only. If more than one style, add 150 per cent, and if the same be beveled in addition, add 170 per cent. If same be also bent, 300 per cent shall be added without extra charge for beveling, provided the said bent and ornamented plate does not exceed in area 54 square feet. If over 54 square feet, 500 per cent shall be added.

Clamped or glued glass in store fronts—two and one-half times the book figures.

If the above be bent or otherwise ornamented, the proper percentage shall be added, as provided herein.

Plate glass set with screws (not clamped)—book figures plus 50 per cent.

Colonial, Florentine, ribbed, rough and all other styles of fancy glass not specifically provided for—book figures; with proper reduction or addition for location in building.

Iron door glass. Plain plate glass set in iron doors with portion cut out for lock, wherever located—five times book figures. If no portion is cut out for lock, no additional charge will be made.

Lettering on painted designs on glass—5 per cent on valuation of not less than $1 per running foot, including spacing for lettering and the cost valuation for designs. Valuation of the painting on the design on each light to be stated in policy. This rate is not subject to reduction or addition on account of location in building.

Memorial windows (wherever located)—5 per cent on valuation insured. Such valuation to be stated in the policy.

Rough glass classed as plain plate.

Ribbed glass classed as plain plate.

Partition glass, including doors and wall cases, classed as inside glass.

Prism glass (wherever located)—5 per cent on fixed valuation of not less than $1 per square foot; valuation to be stated in the policy.

Roof glass classed as skylight glass—see paragraph 66.

Shelving, not in show cases, when plain glass—book figures; when with polished edges—book figures plus 20 per cent.

Sheet glass, plain, when insured must be charged for as plain plate; if ornamented, proper percentage shall be added, as provided herein.

Skylight glass of any description, wherever located—book figures.

Vestibule glass in commercial risks leading to dwelling apartments, including outer or inner doors, fans, and side lights, classed as dwelling—see paragraph 21.

All ornamentation (except embossed number and beveling) as well as bent lights, however, must be charged for at the percentages provided for such ornamentation or bending.

Wired sheet glass classed as plain plate glass.

Wired, polished or unpolished plate glass double the rate for plain plate similarly located.

(This series of articles will be continued.)

Acknowledgments

—Annual report of the Commissioner of Insurance of South Dakota for 1907.

—Report of the proceedings of the second annual meeting of the American life convention.

—"Our Company" is the title of a very attractive monthly publication issued by and in the interest of the Title Guaranty and Surety Company of Scranton.

—We are pleased to acknowledge receipt of thirty-ninth annual report of the Insurance Superintendent of Illinois, covering the condition and transactions of all stock fire, fire marine and mutual fire insurance companies operating in that State as of December 31, 1906.

THE SPECTATOR:

THE SPECTATOR, *established in 1868, is a weekly journal devoted to promoting the best interests of trustworthy insurance of all kinds. The subscription price for the United States, Canada and Mexico is Four Dollars per annum, postage prepaid. To all foreign countries in the Postal Union, Five Dollars per annum.*

THE SPECTATOR *has a larger circulation than any other insurance journal—and carries no "deadhead" subscriptions.*

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COMPENSATION OF LIFE INSURANCE AGENTS.

WHEN the Armstrong committee had completed its investigation of life insurance companies, it proceeded to formulate certain laws for the regulation of the business which were "jammed" through the legislature under the whip and spur of the committee. While some of these laws were unobjectionable, there were others that were ill-advised, and if enforced could not fail to work injury to the life insurance companies and their policyholders. One of the most objectionable of these enactments is section 97, which limits the expense a company may assume in procuring new business. It was foreseen, and ably argued before the committee, that this limitation of expenses would seriously hamper the companies, and as it would necessarily compel a reduction of the compensation of agents, their interest in the business would be relaxed, and many forced to seek other employment whereby they could earn a sufficient sum to support them and their families. Notwithstanding the arguments in opposition, the committee, following out the impractical advice given it, insisted upon the adoption of the section as it stands.

The predictions of the experts and men of life-long experience in the practical side of the business, after a year's trial of the new law, have been more than fulfilled. There has been a falling off in the volume of business written, mainly because a large number of the trained agents and solicitors in the field have been driven out of the work in consequence of the reduction in the rate of compensation. The companies have spent vast sums of money in building up their agency forces, and their perfect organization was looked upon as one of the most valuable assets any company possessed. The field men are the builders of the companies, and it is to their personal efforts that they have attained their present magnificent proportions and been enabled to extend the benefits of life insurance to millions of policyholders. Year by year they have labored zealously and loyally to advance the interests of their respective companies, have accepted this as their life work, and depended upon it for their livelihood. Now comes this undigested law that robs them of their just and fairly earned compensation; forces many of them out of the business and compels them to seek employment in other lines of business that are unhampered by obstructive legislation. The demoralization of their agency forces is quite as serious a blow to the companies as is the falling off in the volume of new business, for the places of these trained men cannot be filled. It requires intelligence and training to fit a man to be a successful agent, and competent and trustworthy persons will not accept the positions for inadequate compensation.

In recent correspondence with an agent of one of the prominent companies, who has had many years experience in field work, he was asked what effect the law limiting compensation would have upon the matter of rebates, and also upon the field men especially. His reply is so comprehensive and pertinent that we print it herewith. He says:

First, as to rebates: Low commissions undoubtedly offer less inducements for an agent to rebate, though it was high pressure and bonuses, quite as much as high commissions, that was behind the evil. No true friend of the business, however, wants to see a return to high first-year commissions, that is to say, the 70 per cent and 80 per cent figures. You, of course, know, however, that even the most conservative companies that have never offered high commissions and have never suffered from rebate, have cut down their commissions so that if the manager gives even 50 per cent the margin left him is too small to authorize him in pushing the business or making much money himself. Here we do not have to face the rebate evil, as it exists in the larger cities, and in my own agency it is practically an unknown quantity.

You ask, will reduced commissions work to the best financial interest of the agents? Answering from the agent's view point, they will not. In the first place, the agent feels that on his shoulders has been thrown the whole burden of reform, whereas he was never found guilty of any malfeasance, and even his rebating was done under the whip of the home office. He distinctly resents this part of the programme, and, in my opinion, he has a right to. He is in favor of economy, but does not feel that all the economizing should be done at his expense.

In the second place, this cut in his compensation has come at a time when his living expenses are higher than ever before. It costs nearly twice as much to travel and maintain his family as it did a few years ago, and yet even the agent of long service to his company is rewarded for his experience and loyalty by a cut in his compensation. All this at a time when the country at large was enjoying unusual prosperity and the demand was strong in all other lines of business for active hustlers and good salesmen.

What has been the result? Many of the good men in the business have sought other employment which offered a living wage and a brighter future. Most of the others have gone pell mell into the ranks of the new companies, not because they wanted to do so or had any great faith in the ultimate success of the local concerns, but because they were forced to make a living, and the new companies had no expense limitation. In this way the new companies obtained in a short time what they have never been able to get in the past—first-class agency organizations, made up of the flower of the agency body trained through long years at great expense to the established companies. These men behind the new concerns have made them flourish like the green bay tree. Whether this growth will be ephemeral, like the mushroom, no one can tell. Of course, they cannot all succeed, but there seems a possibility of a few good-size companies being formed from the possible combination of the scores of little ones. The whole development is a wonderful tribute to the power of the agent and his ability to make and unmake life insurance companies, and the reports at the end of this year will, in my opinion, prove a big surprise to some company officers.

To sum up: The Armstrong solons could make laws lmiting the compensation and circumscribing the opportunities of the agent, but neither they nor any other tribunal can make the agents accept the terms they offer. To do that, it will be necessary to repeal that other great statute, the law of supply and demand. No one desires a return

to the old days of high pressure, bonuses, etc., but if the old companies expect to retain their organizations and to do business, it is going to be absolutely necessary that they pay a living wage, which the successful laborer in the life insurance vineyard deserves, and which he can easily earn in some other field. This could be arranged, not by greatly increasing the first year's commission, but by giving larger and longer renewals. An arrangement, for instance, that would permit the payment of a first year's commission of 50 per cent to 55 per cent and a renewal sufficient to authorize the general agent in giving the solicitor the full first year's commission, with probably some renewals, and yet have enough margin left to authorize him in pushing the business and standing the losses incident to the conduct of a successful general agency. It is my belief that this could be done without materially increasing the expense to the policyholder and to the great benefit of the business in general.

Of course, this is frankly from the agent's view point. Mr. Brandeis of Boston may theorize all he likes, but the stern argument of events will convince anybody that the agent is an absolute necessity to the successful conduct of a life insurance company in this country, and that agent must be paid a reasonable price for his work. If the old companies will not or cannot pay such a price, insurance labor, like all other, will seek the best market, namely, the new companies which are not hampered by expense limitations and not admitted to New York.

This situation as outlined above, if continued, would cause many old companies to stagnate and many new companies to grow at a rate which would soon make them formidable competitors. This may not be a pleasant view of the situation, but it is absolutely true, as seen from this point of the insurance landscape.

At the time the Armstrong laws were passed it was stated by the committee that they should be regarded as simply tentative, and that if, after a year's trial, they were found detrimental to the business of life insurance, they could be amended or repealed. It is to be hoped that at the coming session of the legislature this limitation section, which has had a year's trial and been found most disastrous, will be carefully considered, and amended so as to put new heart into the agents, and permit them to restore their business to its normal conditions.

THE possibilities existing in connection with the insurance of mercantile and manufacturing properties in mutual fire insurance companies are well illustrated in the case of Swing vs. Red River Lumber Company. The Union Mutual Fire Insurance Company of Cincinnati, O., was organized in 1887, and was adjudged insolvent in 1890, when James B. Swing was appointed trustee of the creditors and policyholders of the company. The Red River Lumber Company held five policies of the Union Mutual, upon which the agreed annual premiums amounted to $350. Under the Ohio statutes, policyholders were held liable for their respective proportions of losses and liabilities incurred during their membership, not exceeding the amount of five annual premiums, and the trustee demanded from the lumber company its share of such liabilities, viz., $919, in 1904. Upon refusing to pay, the lumber company was sued, and entered a demurrer to the complaint. This was overruled, and defendant appealed to the Supreme Court, which has now upheld the order overruling the demurrer. In the course of his opinion, Judge Start summarized the position occupied by policyholders in a mutual company as follows:

The basic principle of a mutual insurance company is that each member thereof shall pay his just pro rata share of the losses incurred during the time he is such member.

THE informal meeting of Insurance Department representatives last week was productive of much satisfaction to the managers of insurance companies, who have been dreading the approach of annual statement time, owing to the heavy declines in market quotations of stocks and bonds. While the recommendation that the values as of December 31, 1906, may be accepted as representing more accurately the normal value of the securities held is more or less arbitrary, it will certainly save the companies from the danger of impairment, and is to that extent a safeguarding of the interests of the policyholders. The conditions, however, are such that some more definite action becomes necessary regarding the valuation of securities held by insurance companies without regard to fluctuating market quotations. As a rule, insurance companies purchase bonds and stocks as investments and not speculations, consequently their ultimate value is not dependent upon an inflated or a depressed market. Some definite rule might, therefore, be laid down for the valuation of bonds, so that the constant fluctuations in market quotations might be eliminated from the annual statements, while stocks could be valued on an income basis. This is one of the live topics that the National Convention of Insurance Commissioners should settle at its next annual meeting.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

An annuitant of the Equitable Life of New York, Mrs. Betsy Gage of Brooklyn, last week celebrated the 100th anniversary of her birth. President Morton sent her a congratulatory letter in which he said: "I take pleasure in extending to you our respectful and cordial salutations on your 100th birthday. I hope that for many a day you will continue to enjoy health, strength and comfort." Mrs. Gage invested $2000 in an annuity in 1880, and six years later paid in $1300 more. Up to the present time she has received over $12,000 on her investment of $3300.

The annual meeting of the Association of Life Insurance Presidents will be held at the Hotel Belmont on Friday, December 6. Some papers are to be presented by Insurance Commissioners and company officials. The chief point of interest, however, will be the report as to what the association has accomplished during its first year, and if it has demonstrated good reasons for its existence.

THE MIDDLE STATES.

The Economic Life Insurance Company.

The Economic Life, which commenced business early in the present year, is now writing at a $7,000,000 gait. It is making a specialty of instalment insurance and having much success in the getting of agents. The company will enter several new States after January 1. It has succeeded in placing over one-half of its capital and can now claim over 900 stockholders, covering fifty different cities, extending from Boston to Kansas City and Richmond to Chicago. J. Abbott Fuller and J. E. Kling, formerly with the Equitable Life, are new additions to the ranks of the Economic, as is also Geo. S. Sartin, formerly with the Fidelity Mutual. L. R. Bonta, manager of agencies, has just returned from a Western trip, where he has made satisfactory arrangements for representation in Chicago and Central Illinois, as well as at Cleveland and Buffalo.

—The Quaker City Life of Philadelphia is likely to commence business early in the new year. It will start as a legal reserve company, with $300,000 capital and a surplus of about $55,000. Doty Brothers & Co. are the promoters.

—The quarterly bulletin of the Fidelity Mutual Life shows for the third quarter of the year 1907 receipts of $1,126,440, of which $503,217 was laid by;

payments to policyholders, $367,243; new business, $4,565,720. Loans to policyholders during the quarter amounted to $89,176. Net ledger assets now stand at $14,091,406, a gain of 20 per cent since September 30, 1906.

THE NEW ENGLAND FIELD.

New Insurance Commissioner for Massachusetts.

On Wednesday, the 20th inst., Governor Guild of Massachusetts sent to the executive council the name of Frank H. Hardison as Insurance Commissioner, to succeed F. L. Cutting, resigned. Mr. Cutting has been in poor health for some time past and finally found it necessary to relieve himself of the burden of public office, although his term had nearly two years to run. He was born in Boston, August 14, 1842, and has served in the Department continuously since 1872. In 1894 he was made Deputy Commissioner, and on the resignation of Commissioner Merrill in 1897, was made Commissioner for the statutory term of three years and was subsequently three times reappointed. He has maintained the high standard of efficiency of the Department, and while some of his rulings and opiuions have created considerable opposition, his integrity has never been disputed. It is hoped that in his retirement he may regain his health and enjoy many years of well-earned rest.

Frank H. Hardison is also a native of Bostou, where he was born in 1849. In 1896 Commissioner Merrill appointed him examiner for the Department, and a year later he received the appointment of Deputy Commissioner from Mr. Cutting, which office he has held ever since. He is therefore thoroughly familiar with the operations of the Department and will maintain the Department's high reputation. It is probable that on his nomination being confirmed he will appoint Examiner Charles W. Fletcher to the deputyship, and those who know both men will not be slow in their congratulations.

—General George H. Day of Hartford, a director in the Ætna Insurance Company and the Phœnix Mutual Life, died in Daytonia, Fla., last week.

—The Vermont Life Underwriters Association met on November 22 and, after electing S. W. Hindes, Burlington, president; F. L. North, Burlington, secretary, and S. S. Ballard, Burlington, treasurer, voted to apply for membership in the National Association. Charles Jerome Edwards, president of the National Association, spoke on "The Life Insurance Man and His Future." Addresses were also made by Mayor Rollin L. Richmond, Dr. Charles S. Caverly, president of the State Board of Health, and Lester V. Bailey, president of the Massachusetts Underwriters Association.

THE WEST.

—The Knights of the Maccabees of the World have purchased a building in Detroit and will remove its headquarters from Port Huron on January 1.

—W. W. Watts, agency director for the New York Life at Detroit, has been transferred to St. Louis as manager of the clearing house there.

—The Nebraska Insurance Department has been asked to pass upon the proposed consolidation of the Fraternal Life and the Loyal Mystic Legion of Hastings.

—N. Lee Travers, a real estate dealer of St. Louis, committed suicide a few days ago. He carried $100,000 life insurance, most of which was taken out in June, 1906.

—Some of the parties interested in the promotion of the Mississippi Valley Life of St. Louis have called a halt in the proceedings, pending an investigation of the company's affairs.

—The Wisconsin Department and the Federal Life of Chicago are in controversy as to the legality of some 300 advisory board contracts in force in Wisconsin. This form of policy has since been dropped by the company.

—F. A. Dole has been appointed general agent for the Northwestern National Life of Minneapolis in Iowa, with headquarters at Mason City. Mr. Dole is well-known as a general agent, having achieved success in such capacity with two prominent companies.

—The Bankers Endowment Association of Chicago has been notified by the Illinois Insurance Department to discontinue the issue of endowment policies, for the reason that the Illinois fraternal law does not authorize the sale of such contracts.

—The Kansas Association of Life Underwriters has been organized at Topeka with the following officers: President, S. E. Barber, Topeka; first vice-president, H. C. Hansen, Atchison; second vice-president, J. M. Knapp, Wichita; secretary, Charles A. Moore, Topeka; treasurer, John P. Moss, St. Marys.

—During the month of October the Pacific Mutual Life received applications calling for a larger amount of insurance than was ever previously written in any one month by the company. During the same month of October the Pacific Mutual also issued the greatest amount of insurance ever issued in any one month. On the thirty-first day of October last, the company had in force the substantial sum of $102,160,741 of life insurance.

—J. C. Wilson, president of the Inter-State Fiscal Agency Company of Kansas City, has been arrested on a warrant issued by the Post Office Department, charging him with using the mails to defraud. Mr. Wilson formerly held a contract with the Kansas City Life, which contract was abrogated by the insurance company on September 17, 1907.

—The Northwestern National Life of Minneapolis announces two important agency appointments in North Dakota. John Bidlake becomes general agent, having charge of the Southwest portion of the State, and W. F. Mautz becomes general agent for Southeastern North Dakota. Both of these men are residents of long standing in North Dakota, and are men of force and ability.

THE SOUTH.

—Jerome King of Louisville, formerly with the New York Life, has been appointed Kentucky general agent for the Pacific Mutual Life.

—The Western Insurance Company of Georgia, an assessment association, is being promoted at Carrollton by C. M. Tanner, J. R. Adamson, P. C. Jack, James Beall and R. W. Adamson.

—The Independent Life Insurance Company of Nashville, Tenn., of which Paul Roberts is president, has completed organization and received a license in Tennessee. The capital stock is $200,000.

—Henry Clay King of Kansas City has just been appointed by the Northwestern National of Minneapolis agency director for its Southwestern department, including Texas, Oklahoma and Arkansas, with headquarters at Dallas.

—The stockholders of the Southern Life of Fayetteville, N. C., met on November 13 and elected a board of directors, which re-elected the officers for the ensuing year. No changes were made in the management or policy of the company.

—The Southern Life and Accident Insurance Company is being organized at Marianna, Fla., with a capital of $50,000, to sell insurance on the assessment plan. The officers will be: W. H. Milton, president; Hayes Lewis, vice-president, and John Milton, III., secretary. J. B. Brooks, formerly with the Southern States Life of Atlanta, will also be identified with the new company.

MISCELLANEOUS LIFE NEWS.

Valuation of Securities of Insurance Companies.

On Thursday, the 21st inst., a number of Insurance Commissioners met at the Hotel Manhattan, New York, on the invitation of Reau E. Folk, president of the Natioual Convention of Insurance Commissioners, to consider the question of the valuation of securities held by insurance companies as affecting their aunual statements at the close of 1907. The following officials and Department aides were present: Reau E. Folk of Tennessee; B. F. Carroll of Iowa; Otto Kelsey, H. D. Appleton and Nelson B. Hadley of New York; E. E. Rittenhouse of Colorado; B. F. Crouse of Maryland; H. R. Prewitt of Kentucky; James V. Barry of Michigan; Joseph Button of Virginia; T. H. Macdonald and W. H. Woodward of Connecticut; Frederick W. Potter of Illinois. and Charles W. Fletcher of Massachusetts. J. M. Holcombe, president of the Phœnix Mutual Life of Hartford, and S. H. Wolfe, consulting actuary of New York, were the only outsiders in attendance.

Mr. Folk acted as chairman, while C. W. Fletcher was secretary. An address by Mr. Holcombe dealt with the valuation of bonds, in which he suggested that the companies be allowed to use the book values of bonds in their annual statements, instead of market values as previously, at the same time making allowance for a sinking fund to bring the bonds to a par basis at maturity. Mr. Wolfe argued in favor of taking the values as of 1903 as a basis of valuation, at which time he said the quotations seemed to have reached an average investmeut value. The meeting then resolved itself into an executive session, and after much discussion passed the following resolutiou:

Whereas, It is the opinion of the Insurance Commissioners in attendance at the meeting informally held at New York city this 21st day of November, 1907, that present market quotations do not fairly represent the true present value of securities held by insurance corporations and required to be reported in their annual financial statement as of December 31 next; therefore

It is the sense of this couference that insurance companies in making their annual statements for the preseut year to the various Departments, in determiniug actual market values of securities as of December 31, 1907, should not be required to confine themselves to present market quotations. We believe that the valuations as reported by the companies for the year 1906 more nearly represent the true values of such securities under normal business conditions.

While the foregoing resolution cannot be considered as binding upou the several Departments, yet it is believed that most of them will follow

its recommendations, thereby relieving the insurance companies from a position created by artificial conditions and values.

The meeting also took occasion to send a congratulatory message to F. H. Hardison of Massachusetts, on his nomination as Commissioner, and expressed its regret at the forthcoming retirement of H. R. Prewitt of Kentucky, owing to the recent political overturn in that State.

—Part X. of Vol. III. of the Transactions of the Faculty of Actuaries (Edinburgh) completes that volume and contains the examination papers for 1907, the report of the council and the proceedings of the annual meeting, as well as a list of members and students. Information concerning the price of this part and the volume can be obtained by addressing The Spectator Company, 135 William street, New York.

—In a recent issue reference was made to the law of South Dakota requiring a deposit of securities, equaling the amount of the reserves, with State officials. The article suggested that possibly the two newly organized companies of that State might have been instrumental in bringing the law to the front. A letter from one of the companies disclaims any such action and believes the other company to be equally innocent. As explained last week, the Commissioner will be satisfied if a company shows due proof that it holds assets equal to the reserves without regard to the place of deposit.

INDUSTRIAL INSURANCE

Some Good Records.

Superintendent Wainwright, of the Prudential at Washington, D. C., has occasioned no little comment by his recent achievements. With a staff of eleven assistants and fifty-nine agents they wrote 780 applications, including revivals, for $73.05, the first premiums collected aggregating $140.41. The ordinary written amounted to $20,500. The Allentown staff has also been getting in some fine work, after a meeting held on November 2, at which a resolution was passed to (1) beat the Easton week of October 14; (2) beat their own proportionate record; (3) honor their superintendent, L. F. Miller. All three objects aimed at in the meeting were secured. The record, proportionate, stands: Allentown No. 1, twelve applications per man; average total premium, $1.08 per man. Easton, eleven applications per man; average total premium, 94 cents per man. The total number of applications secured was 600, with premiums of $53.58; collections, $93.33. There were also secured some revivals and nine ordinary applications, for $28,500.

Prudential Leaders.

Up to November 14, the Prudential's superintendency leaders for 1907 in industrial were: G. S. Wainwright, Washington; V. W. Kenney, Baltimore 3; A. X. Schmitt, Chicago 2; J. Pauer, McKeesport; Z. T. Miller, New York 8. The superintendency leaders in ordinary up to November 4 were: J. R. Russell, Pittsburg 1; C. M. Yoder, Philadelphia 5; H. R. Kendall, Louisville; A. X. Schmitt, Chicago 2; Z. T. Miller, New York 8.

Shunning Lapses.

The non-lapse records in the Life Insurance Company of Virginia are becoming better all the time. Thus it is found that Tucker of Newport News has not lapsed a policy in fifteen weeks, nor Rogers of Piedmont in nine weeks. Harper of Alexandria, Berry of Elizabeth City, Westcott of Charleston, Daly of New Orleans No. 3, and White of Augusta are on their seventh week without a lapse, and there are a goodly number in the five and four weeks classes.

—The Life Insurance Company of Virginia has appointed Agent W. C. Brittain of Kings Mountain, assistant superintendent in Charlotte.

—Agent M. Misick of Brooklyn has the honor of holding first place in ordinary for 1907 among the Colonial men. The leading industrial agent for the year is J. Grantling, Hoboken, followed by T. M. Devers, West Philadelphia.

—Superintendent Robert Spencer, of the John Hancock in Philadelphia district No. 4, recently celebrated his twentieth anniversary with the company. Mr. Spencer was presented with a loving cup and a set of sterling silver tableware.

—Assistant Manager F. C. Herrick, of the Colonial in Brooklyn, has been pressed hard during the year to get him out of first place on the industrial record, but no one has yet succeeded in doing so. The gentlemen who are crowding him closest are: J. G. Howarth, Elizabeth; G. E. Destler, Atlantic City; J. H. Doyle, Trenton. The leading assistant in ordinary is J. Conley, Newark.

—The John Hancock has recently advanced the following named agents to assistancies in the districts in which they are employed: James J. Maloney, St. Louis 3; Harry G. Taylor, Philadelphia 4; George A. Swartwout, Philadelphia 4; Alfred T. Moors, North Adams; John Fielding, Providence; Walter P. Herrlich, Brooklyn 5. Assistant William F. Oliver has been transferred from New York 3 to New York 2.

—The closing swing of the 1907 work with the Colonial gives undoubted promise that the earlier predictions of the year will easily be made good. Both in the ordinary and industrial departments the returns are gaining at a very rapid rate, while the reduction of arrears and increase of advance payments are going forward most satisfactorily. The generally excellent work is not confined to a few of the leading districts, but is diffused throughout the entire field.

—Articles of incorporation have been filed in Indianapolis by organizers of the Indiana Industrial Life Insurance Company, with headquarters at Terre Haute. The capital stock is $100,000. The stockholders of the new company are: Burton Cassidy, George A. Curry, Karl L. Freeman, George W. Splaty, Pleasant B. Garrott, William A. Michael, Ernest Mattox, Charles Marhlestone, Harry McIhery, Hugh Maugh, Marion W. Smith, Joseph W. Campbell, William W. Brown, Levey Barnhart and Barney B. May.

—Agent H. R. Richardson, an old and faithful employee of the Home Friendly Society of Baltimore, died on November 8 at his residence in Baltimore. The society suffered a further loss in the death of Agent Benjamin Buckingham, who rendered most valuable services at the home office for a period of sixteen years. Agent A. J. Roberts of the Charleston (S. C.) district was promoted last week to the position of paymaster in the sick-claim department. Agent C. A. Dennis of the Charleston (S. C.) district was advanced to the position of assistant superintendent.

—The latest changes noted among the Colonial forces are: Appointments to Assistancies—M. A. Clymer, Philadelphia; Martin Ganzler, New Brunswick; E. W. Cranmer, detached assistant manager of Harrisburg, has been advanced to the full managership; S. C. Millard has been advanced to the managership of the Reading district. J. P. Boyle, assistant at Newburgh; Charles W. Johnston, assistant at New York; Assistant A. P. G. Viglezzi has been transferred from New York to Philadelphia; William Duffy, appointed assistant at Germantown, Pa.; Assistant J. E. Gantriss has been transferred from South Philadelphia to Philadelphia.

—The struggle among the managers of the Colonial for leading position on the industrial record has been exciting throughout the year. For the first six months, Manager L. Janson of Williamsburgh held the honors. Directly afterwards, Manager W. J. Burn of Brooklyn pushed to the front. During the past month Manager J. I. McLeod of Pittsburg has passed each of the Eastern districts, and within a fortnight Manager Burn has fallen into third place. They are all so near it is quite likely other changes are in sight and no one can predict the leader for the last week of 1907. Closely following these gentlemen may be mentioned Manager W. J. Whitaker of Harlem, and Manager W. L. Griffin of Jersey City. Manager W. J. Burn of Brooklyn leads the Colonial forces for the year, in respect of ordinary. Next to him are Managers L. P. Welsh of Trenton; L. Janson, Williamsburgh; H. J. Whitaker, Harlem, and W. L. Griffin, Jersey City.

—The Secretary of the Treasury has issued an order requiring all bonds executed by surety companies and approved by subordinate officers under the Treasury Department in different parts of the country to be forwarded to the department at Washington for review. It has been found that the agents of some of the surety companies have been executing bonds which they had no authority to execute under the powers of attorney given them by their respective companies. This condition of affairs was discovered through the application of a new card index system which has just been put into operation. It is the Secretary's intention that all of the branches under his department having to do with bonds shall share in the advantages of this effective check upon the 50,000 agents executing bonds on behalf of surety companies. The surety companies are said to be pleased with the regulation, since it relieves them of the burden and expense of furnishing numerous approving officers with certified copies of their powers of attorney.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

Although it was understood last week that A. M. Thorburn and F. S. Little had accepted the management of the W. S. Banta Agency, it now appears that they have concluded not to do so. Mr. Thorburn has recommended placing the Banta companies with Wallace Reid, as have also the executors of the Banta estate; and three of the companies, viz: the Westchester, Colonial of New York, and Dixie Fire of Greensboro, N. C., have already decided to locate in the Reid Agency. Action has not yet been taken by the Firemans Fund, Pennsylvania Fire, Mechanics, Reliance, and Union. Mr. Little has formed a brokerage firm with R. H. Goffe, under the name of Goffe & Little. Wallace Reid is recognized as a capable and enterprising underwriter, and his selection is regarded as an excellent one.

A gentleman who is one of the staff of a foreign banking corporation in this city, is the unfortunate owner of ten shares of the National Assurance Company of Dublin, now in liquidation. These shares were bequeathed to him by an uncle, and have become the source of serious embarrassment. He has been called upon to pay two assessments, amounting to about $500, and has heard lately of another call for an extra $100. As he is now a naturalized American citizen and has no property in Ireland, he has been advised by one of the legal lights to ignore the calls, and let the lawyers in Dublin do their worst.

The old National Board rooms in the Mutual Life building have been assigned by the New York Board to the committee on losses and adjustments, and thus the rent bills assumed by the National Board for vacant rooms has been cut off.

A foreign company represented in New York for only one branch has brought out in its London office a new form of policy called the " householders' indispensable," which covers the risks of fire, burglary, accident and personal liability, all under one sum and with very moderate conditions. Bye-and-bye we shall see marine and automobile risks included with a lot of other hazards.

The first meeting of the Board under the new rule, calling for a fee of $1 to those present and a fine of the same amount for absentees, was held last week. The result was an agreeable surprise in bringing out a quorum, and thus the wisdom of the new rule vindicated itself.

The inspectors are very busy now examining furnaces and heating apparatus, in anticipation of the heavy coal fires built for the winter temperatures.

Certain companies interested in a loss which occurred last summer on Broadway have received a report of the adjustment which presents a not uncommon phase of such losses. The assured named in the policies is a manufacturing corporation, and the manager is supposed to represent a number of creditors who organized a former business to work out a debt. When the fire occurred a claim was made which, on its face, was preposterous, and it was reduced by the assured twice before it was finally accepted as sound value. Then an appraisement was ordered and the loss finally settled. There was a hint conveyed to an appraiser that it would be worth something to him if the award favored the assured, but it was so indirect that it was not possible to connect the proposal with the claimants.

The elimination of the pattern clause, by order of the Exchange, has brought down upon the companies a swarm of brokers with outstanding policies for indorsement. The explanation why the clause was removed is not clear to office men, and the result is in order of discussion and comment upon the singularity of the action.

The story of the use of the funds of the Borough Bank of Brooklyn by Vice-President Gow, to promote his individual enterprises, according to one of the daily papers, connects the story with the investment Mr. Gow made in the Excelsior Insurance Company. The latest report about the matter is that the deposits of the Borough Bank are complicated with overdrafts of the old Brooklyn Bank, which suspended on the same day, and the hope of their release is more distant than ever. The present expectation is that the Insurance Department will call upon the Excelsior for additional capital to make good the amount tied up in the Borough Bank.

The annual warning against the dangers of window decorations in department stores for holiday displays has been circulated. The toy business has sorrows of its own this year, and the restraints of the underwriters is one of them.

Orders from San Francisco now are almost invariably coupled with a prohibition of the use of an earthquake clause. One William street broker received a rather desirable order last week, with the added prohibition and an explanation—"nobody demands it here, and our merchants won't stand it in Eastern policies."

W. L. Perrin has been appointed metropolitan district manager of the Farmers Fire of York, Pa. He will commence writing for it on December 1.

The regular meeting of the Insurance Society of New York was held on Tuesday evening last at the society's rooms, 16 Liberty street. The guest of the occasion was George F. Steffany of the Manufacturers Automatic Sprinkler Company, who gave an interesting and instructive address on "Modern Sprinkler Equipments."

William J. De Rivera, agent of the Teutonia Fire and the Humboldt Fire of Allegheny, will establish an independent office for his agency on November 30, at 40 Cedar street. Frank S. Brown, at present counterman for the Hanover Fire, becomes associated with Mr. De Rivera.

The executive committee of the National Fire Prevention Association held its annual meeting in this city last week. The enlarging of the scope of the organization was considered, and the committee endeavored to devise means to further classify the fire hazard and the records of causes of fires and to develop further the inspection service so as to include all fire retardment and resisting material and the devices which enter into the construction of buildings. There was also a meeing of the committee on automatic sprinklers, which formulated a report to be presented at the annual convention of the association in Chicago in May.

Mort Reiss has withdrawn from the Brooklyn firm of Reiss, Andrews & Cluff, and has gone into business as an independent insurance broker at 95 William street, this city.

At last week's meeting of the New York Board of Fire Underwriters the National Board's specifications for wire glass and fire doors were adopted and the question of the other matters relating to building requirements of the two bodies were referred to the committee on surveys, as no agreement could be reached at the meeting Henry W. Eaton, chairman of the water supply committee, reported progress on the high-pressure system.

It is reported that Mrs. Nicholas Smith, Jr., who is alleged to have shot her husband and fired her home at New Rochelle last week, is identical with the Grace B. Acton who had several peculiar fires in this city. The locations were as follows: 56 West Seventy-fifth street, November 30, 1903; 62 West Fifty-eighth street, October, 1902; 125 and 127 West Fifty-eighth street, May, 1902, and 163 East Seventy-ninth street. Insurance claims were paid for some of these fires.

BOSTON AND VICINITY.

The most important event in the insurance world for Boston and Massachusetts of late is the nomination by Governor Guild of Deputy Insurance Commissioner Frank H. Hardison to succeed Commissioner Cutting, who resigned because of ill health.

It is pleasing to note that the business of the George O. Carpenter & Son agency is to be continued under the same firm name, with no change in the office staff. It is stated that the late Gen. Frederick B. Carpenter left nothing in his will relating to the disposition

of his business. At present the agency will be under the direct supervision of Cashier Robert H. Ryland, who has been long connected with the office. Januaiy 10 the New England Insurance Exchange will celebrate its twenty-fifth anniversary with a grand banquet.

C. H. J. Kimball, of the Boston Board of Fire Underwriters, and R. F. Barrett of the Massachusetts Mutual Fire Insurance Union, have been elected to the executive council of the Massachusetts State Board of Trade.

Fire Commissioner Wells of Boston is completing plans for the gradual elimination of horses from the Boston fire department by supplying all the district chiefs with high-speed automobiles. He is also in favor of automobile chemical engines and carts.

THE MIDDLE STATES.

R R. Tuttle Sues the Dubuque Fire and Marine.

Robert R. Tuttle of Syracuse, N. Y., manager for the Dubuque Fire and Marine of Dubuque, Iowa, for New York and Pennsylvania, has entered suit against the company named for commissious claimed to be past due, for alleged breach of contract, and damages in the sum of $109,576, and interest, costs and disbursements. Mr. Tuttle states that in 1905 he became manager, and that in the year ended January 1, 1907, he had given the company about $100,000 of net premiums, with losses of $28,000, and had appointed 250 agents. The net profit was about $40,000. Mr. Tuttle says:

The Dubuque ordered me arbitrarily to discontinue 100 of the agents, leaviug the selection to me, on the ground that while the business looked all right, it was coming in so fast, for a new compauy in this field, that there must be something wrong about it. * * * From the first the Dubuque did not pay my over-writing commissions when due, and after June, 1906, they discontinued paying me anything at all, so that for fifteen months I worked for them for nothing, and went to thousands of dollars of expense on their behalf. Neither have they paid me my contingent commission for the first year.

The Dubuque makes a counter-claim of $120,000, alleging that Mr. Tuttle caused its agents to leave the company, and that it has, in consequence, lost business; but Mr. Tuttle says: "These were the agents they wanted taken up, aud this was the business they were afraid to accept."

The matter was further complicated by the reinsurance by the Dubuque of the risks of the German National, which Mr. Tuttle had also represented, which resulted in some duplication of risks.

—The American National Fire of Springfield, Ill., has been licensed in Pennsylvania.

—The Pennsylvania Insurance Department is making a re-examination of the Guardian Fire of Pittsburg and the Union of Philadelphia.

—Wilbur C. Smith has been appointed special agent of the Niagara Fire for Eastern New York, succeeding Walter C. Howe, resigned.

—President George A. Berry, of the Monongahela of Pittsburg, died a short time ago, aged ninety years. He was an organizer of the company, and had been its president since 1891.

—The Liberty Mutual Fire Insurance Company and the Lincoln Mutual Fire Insurance Company, both of Philadelphia, Pa., paid out $2500 in interest money to the subscribers of their guarantee agreements on November 15, 1907, the same being due on May 15 and November 15 of each year. This action indicates that these guarantee agreements were made in good faith, and it also tends to increase the confidence of the guarantors in the stability of the companies. These companies also issue an underwriters' policy, under the title of the "Eastern Underwriters." W. L. Pettibone & Co. of New York are writing selected surplus lines for them.

THE NEW ENGLAND FIELD.

Charles R. Burt Dead.

Charles R. Burt, secretary of the Connecticut Fire, died last week at his home in Hartford, of typhoid pneumonia. Mr. Burt was born in Hartford in March, 1845, and had been an executive officer of the Connecticut Fire for upward of forty years. He is survived by a widow, but no children.

—William B. Medlicott of Springfield, Mass., has been appointed general agent of the Atlas of London.

—Julius L. Clarke of Newton, Mass., formerly State Auditor and Insurance Commissioner, died recently, aged ninety-three years.

—General George H. Day, a director of the Ætna of Hartford, died recently at Daytona, Fla., aged fifty-nine years. At the time of his death Mr. Day was manager of the Licensed Automobile Association of America.

—The Connecticut Association of Local Fire Insurance Agents has elected the following officers: W. L. Hatch, president; W. H. Squire, C. L. McNeil, E. S. Cowles, vice-presidents; E. W. Keen, secretary; H. D. Humphrey, treasurer.

THE WEST.

—George G. Gross has been appointed special agent in Michigan for the Northwestern National.

—The Colorado law forbidding fire insurance companies the right of subrogation has been held unconstitutional by a Denver court.

—The Oklahoma business of the Planters Fire of Little Rock, Ark., has been reinsured in the Western National of Oklahoma City.

—The Minnesota license of the Merchants National Mutual Fire of Fargo, N. D., has been revoked by Insurance Commissioner Hartigan.

—H. M. Coudrey & Co. of St. Louis have resigned as members of The Union, owing to the retirement of the Star Fire of Louisville.

—Jesse O. Gable has resigned as Indiana State agent of the Spring Garden to become special agent of the Aachen and Munich in Indiana and Southern Michgon, taking effect from January 1.

—The Arkansas Association of Local Fire Insurance Agents has sent out an appeal to the companies asking for co-operation in combating the trouble growing out of the multiplicity of agents at many points.

—The Ohio State Board of Commerce is sending out circulars to all business men and propertyowners of the State, asking their co-operation in a proposition to amend the fire insurance laws so that reinsurance of risks in companies not authorized to transact business in the State may be made legal.

—The engineers of the Committee on Fire Prevention have finished their investigations into the fire protection of Lincoln, Neb. The conflagration hazard is reported as moderate, due to the wide streets and mainly low heights of building. On the other hand, the deficiencies of the water supply, the weak fire department and frequent high winds, combined with the numerous structural weaknesses, make it possible for a fire of ordinary proportions to speedily reach the conflagration stage. Bad electrical conditions enhance the chances of fires starting.

THE SOUTH.

—The American Druggists Fire of Cincinnati has been licensed in Tennessee.

—The United Firemens is entering Alabama and Florida under the jurisdiction of Hughes & Yates.

—The Washington Fire of Seattle has entered Louisiana and appointed Le Blanc & Railey of New Orleans State agents.

—Insurance Commissioner Cole of Mississippi has announced that he will recommended the creation of a fire marshal law to the incoming legislature.

—The Kentucky Board of Fire Underwriters has elected W. H. Wheeler, president; C. J. Lucas, vice-president; Claude Snyder, secretary and treasurer.

—At the present extra session of the Louisiana Legislature, Senator Reilly has introduced a bill prohibiting corporations from transferring a case from a State to a Federal court.

—M. A. Shumard & Co., general agents, have returned to New Orleans, La., and are now located in the Hibernia building. The firm removed its office to Dallas about a year ago.

—General Agent Edgar Dunlap of Atlanta has been appointed to represent the marine department of the Firemans Fund for automobile insurance for Georgia, Florida and the Carolinas.

—On and after December 1, all advisory rates in Chattanooga, Tenn., will be made by the Tennessee Inspection Bureau. This leaves Memphis the only city in the State now maintaining a local board.

—Twenty-one representatives of non-Union companies doing business in Kentucky held a meeting recently in Louisville and organized the Kentucky League of Fire Underwriters. A. F. Bolling was elected president; H. G. Hoffman, vice-president, and C. B. Rogers, Jr., secretary and treasurer.

—"Red Book" No. 125, of the British Fire Prevention Committee, deals with "Load Test of Floors," and describes tests of three floor slabs of reinforced concrete on the Herbst Armocrete Tubular System, by W. Herbst, Berlin, now also known as the Armoured Tubular Flooring Company, Ltd., London. In addition to the text and tables, the report contains numerous illustrations from photographs taken at various stages of the investigation. Copies of this report may be obtained through The Spectator Company, 135 William street, New York, at $1.25 per copy.

MISCELLANEOUS FIRE NEWS.

—The Washington Fire of Seattle has been licensed in California.

—The Lumber of New York has appointed Clarence de Veuve, of the firm of Hanford & de Veuve of Seattle and San Francisco, its State agent for California. H. C. Huntington will act as special agent for the Coast.

—The fire committee of the Supervisors of San Francisco propose to draft an ordinance providing that all temporary buildings erected immediately after the April, 1906, conflagration be removed before January 1, 1909.

—The Michigan Commercial has established a Pacific Coast department, covering all the States usually reporting to San Francisco. T. J. A. Tiedemann, formerly general agent of the Scottish Union and National, will be in charge.

—The Washington Fire Insurance Company of Seattle offers a standing reward of $500 for information leading to conviction for the crime of arson. The offer is valid whether or not the Washington Fire is interested as insurer.

—The Hanover Fire has completed the reorganization of its Pacific and mountain field. Cesar Bortheau, who has hitherto been Pacific Coast manager of the company, will, after January 1, become its California general agent. All the Pacific Coast agents except those in California will report to the home office instead of San Francisco, as heretofore.

—The National Association of Local Fire Insurance Agents has placed the Eagle Fire on the list of co-operating companies. President Theodore H. Price has assured Secretary Putnam that the Eagle stands for no overhead writing, brokerage, agency representation, ownership of expiration, rates, State legislation and co-operation as set forth by the association's convention articles.

Casualty, Surety and Miscellaneous

The Travelers' Exhibits at Automobile Show.

The rapid development of the motor-car industry within the past few years has greatly stimulated many other lines, such as rubber, leather, chain, lamp and electrical appliance manufactures,

Insurance companies, both fire and casualty, come in for their share of the money spent in automobiling, hundreds of thousands of dollars in premiums having been received from motor car owners. The Travelers of Hartford were the pioneers in automobile liability insurance, having issued this form for several years. A handsome premium income is received alone from this one branch of the liability business as almost every automobile owner feels compelled to carry this form of protection.

Appreciating the fact that a large majority of the motor-car owners are keenly interested in every detail pertaining to the use of the automobile, the Travelers has been operating an insurance bureau of information at many of the automobile shows held in this country during the past season. The plan has proved very popular with the show goers, and those seeking information regarding automobile insurance have been able to receive it from the experienced insurance men who are in charge of these exhibits.

At the recent show given by the Automobile Club of America at the Grand Central Palace, space No. 53 was occupied by the Travelers Insurance Company. The decorative scheme included a Burgundian Knight in full armor, the Travelers trade mark, and a striking symbol of the complete protection afforded by their automobile liability and accident policies.

Accidents to persons and damage to property resulting from the use of the automobile have created a great demand for this special class of insurance, and the Travelers has arranged to meet all the requirements in this branch. Announcement has been made by the company that it has perfected arrangements with a foreign insurance organization to issue endorsements upon Travelers automobile policies that will protect automobile owners while motoring in Europe.

Examination of the United Surety Company of Baltimore.

At the direction of the Massachusetts Insurance Department, S. H. Wolfe recently made an examination of the United Surety Company of Baltimore. His report, which has just been made public, shows that on August 31 last, the company possessed gross assets amounting to $782,913, of which $119,817 were classed as not admitted, making the admitted assets $663,096. The liabilities, including the capital stock of $500,000, amounted to $672,713, showing an impairment of $9617. A large part of the unadmitted assets is made up of a claim against the Munich Reinsurance Company, which is in dispute. In commenting upon the facts disclosed by the examination, Mr. Wolfe says: "This company has passed through a period of strenuous existence, not only having to fight the natural competition of other corporations, but to meet the disadvantages of internal dissensions. The present officers have given evidence of a desire to correct the errors of the former management."

The Massachusetts Department having notified the company of the results of the examination, its officers promptly expressed a desire to remain in Massachusetts by adding such a sum as might be required to make good the impairment and create a surplus. Accordingly the sum of $60,000 has been placed to its credit in a form of security satisfactory to the Insurance Commissioner, so as to show a clear surplus under the rigid ruling of the Massachusetts Department of $50,000 over and above all liabilities, including the $500,000 capital.

A New Surety Company in Massachusetts.

The Massachusetts Bonding and Insurance Company has applied to the Insurance Department of Massachusetts for a license to do business, and operations will begin the present week. The president of the company is Timothy J. Falvey. The capital stock is $500,000, divided into 500 shares of a par value of $100 each.

The incorporators are: William A. Gaston, president of the National Shawmut Bank; William S. Spaulding, Robert Winson, William H. Hill, James W. Kennedy, Harry B. Chapin, Joseph H. O'Neill, late assistant United States Treasurer; William F. Fitzgerald, Kennard Winson, James L. Richards, James J. Phelan, James M. Morrison, John T. Burnett, L. H. Friedman, Charles G. Lund, Pierce Powers, Timothy J. Falvey, Warren Motley. John C. Rice and Cornelius G. Fitzgerald.

Casualty Notes.

—The Attorney-General of Minnesota has ruled that sprinkler leakage insurance cannot be covered by a rider attached to fire policies.

—The bank burglary business continues to improve as the country banks accumulate cash, which they are calling in from their city correspondents.

—The Fidelity and Casualty has issued an accident policy for $100,000 to Mrs. Patrick Campbell, the English actress. The contract was closed by Jacob S. Hirsh of New York.

—J. Tyler Davis, formerly with the Travelers in Kentucky, has resigned that position to become Kentucky general agent for the accident department of the Pacific Mutual Life.

—The American Casualty Company of Tacoma, Wash., has been licensed and begins business with a paid-in capital of $100,000. The officers are: A. E. Law, president, and E. M. Holden, secretary.

—The Fidelity Mutual Aid of San Francisco, Cal., has reinsured in the National Casualty Company of Detroit. The Fidelity Mutual was one of the oldest associations in this line of business. J. L. M. Shetterly was president and general manager.

—The Attorney-General of Minnesota has ruled that the insurance laws of that State do not provide for accepting insurance against legal liability arising from damage to property by automobiles, and that, therefore, such insurance may not be written.

—The Commonwealth Casualty Company of Philadelphia has recently made some very important agency appointments in Ohio, and the Buckeye State is proving one of its very fine fields for business. So far this year this company is making very good progress, showing a volume of business far in excess of any previous year of its history.

Surety Notes.

—Harry S. Byrne, formerly general agent of the Fidelity and Deposit at Omaha, has been elected assistant secretary and manager of the surety department of the National Fidelity and Casualty, a company recently organized in Omaha. John M. Gilchrist has been appointed auditor of the new company.

—The National Surety has forwarded to the State Treasurer of New York $100,000, the amount of its bond, guaranteeing the State deposits in the suspended Borough Bank of Brooklyn. The Treasurer has also received $100,000 from the Empire State Surety, covering $75,000 deposited with the Williamsburg Trust Company, and $25,000 in the First National Bank of Brooklyn, which suspended recently.

SURETY, PLATE GLASS AND OTHER MISCELLANEOUS INSURANCE FORMS.

(Third Article—Burglary and Other Insurance.)

The Spectator Company will shortly publish a manual dealing with miscellaneous forms of insurance, covering the following: Surety, fidelity, plate glass, burglary, credit, physicians', druggists' and dentists' liability, general water damage, sprinkler damage, title guarantee, fly-wheel and strike insurance.

This matter will first be published in the current issues of The Spectator, and afterward made up into book form for the information and use of managers, agents, and brokers interested in the miscellaneous forms of insurance, and for policyholders.

The present article concludes the resume of surety and fidelity bonds, and descriptions of plate glass, burglary, and other forms of miscellaneous insurance.

BURGLARY INSURANCE.

Insurance Provided Against Loss by Burglary in Banks, Commercial Houses, Private Residences, etc.—Indemnity for Hold-Up of Messengers—Floater Policies for Tourists—Credit, and Other Miscellaneous Insurance.

In these days of modern apartment houses burglary has been on the increase to an extent that the police are unable to check it. The daily record of crimes committed of this nature in the large cities is appalling. It is as though all the petty thieves of the country were devoting themselves to depredations of this kind. They have become so bold in their operations that personal property is no longer safe anywhere. It is therefore a mere matter of common prudence for every head of a family to secure indemnity against burglary. This is provided by many of the casualty companies, who issue policies guaranteeing against loss from this source.

Insurance against burglary is granted covering—

(a) Banks.
(b) Hold up or messenger robbery.
(c) Mercantile.
(d) Mercantile safe.
(e) Residence burglary.
(f) Residence burglary, theft and larceny.

The policy issued to a bank includes not only indemnity for the funds actually lost, but for damage to the safe and the bank premises. The best-made vaults and the strongest safes are not proof against a successful burglary, provided time enough is given, but the difficulty is increased according to the nature of the vault and safe.

The rate for bank burglary insurance is dependent upon the class of safe, the nature of the vault, the watchmen, the size of the town and the police protection. The most frequent burglaries are in small towns, but the amount stolen is relatively smaller than in larger cities. Usually the tools are stolen from a local blacksmith, and, once entry into the premises is obtained, the dynamiting of the safe, securing the contents, shooting up the town and escaping in a speeder or in a stolen buggy is a matter of a short time.

Even if the burglars are frightened away before securing the contents of the safe, the damage to the premises, vaults and the safe may amount to many hundreds of dollars, which the insurance company promptly makes good.

Hold Up or Messenger Robbery.

In the ordinary course of business, messengers are entrusted with large sums of money to be conveyed to and from banks and offices. Knowledge of the practice or habits of the messenger affords opportunity for waylaying him while in possession of funds and relieving him of all that can be secured. There must, however, be evidence of a hold-up, for the loss of money alone would not be covered, and if a question arose as to the honesty of the messenger, it would come under consideration in connection with the fidelity bond.

Messengers for mercantile houses and others having large deposits of funds are also exposed to the risk of hold-up while on the way to the bank to deposit, or after drawing cash for payment of wages, and policies are issued covering such risk.

The premium is based upon the amount of insurance and the nature of the risk. The age of the messenger is limited.

Mercantile Burglary.

This class of insurance has been tried, but, owing to the heavy losses and unsatisfactory results, it is regarded generally with distrust and refused altogether by some companies. The moral hazard is of the first importance.

The policies are limited to those cities, towns or villages where there is a regular day and night police force.

The class of risks are divided into groups, the first including those where the goods are difficult to remove or where the value in relation to bulk is small, such as furniture, carpets, books and stationery. In group (2) are included boots and shoes, clothing, china, glass, etc., while in group (3) are the valuable goods, such as silk, etc.

The rates vary from $15 to $25 per $1000, according to grouping.

Discounts are allowed for burglar alarm attachments and for private watchmen.

Mercantile Safe.

This class of insurance is free from the objections applying to stocks of goods. The policy covers for the loss of gold, silverware, watches, jewels, precious stones and other valuables of like nature.

The premium varies according to the police protection, the character of the safe and the nature of the contents.

Discounts are allowed for—

(a) Connection with outside burglar alarm system.
(b) Population.

The description of the safe must be carefully and accurately given, with the name of the maker, number, style, size and inside construction.

Residence Burglary.

There are two kinds of policies issued—

(1) Covering against burglary only.
(2) Against burglary, theft and larceny.

The policy against burglary only is adapted to those who have no servants on the premises, and, in order to establish a loss, there must be visible evidence of a forcible entry. The minimum premium for this form of policy is $10.

The policy covering burglary, theft and larceny is more generally needed, and includes theft by servants and by persons obtaining admission to the premises under one pretext or another. The risks are divided into—

(a) Private residences and housekeeping flats or apartment houses with hallboy or elevator attendant.

(b) Flats or housekeeping apartments without hallboy or elevator attendance and for non-housekeeping apartments.

By non-housekeeping is meant an apartment where the housework is performed by employees of the apartment house and not by the occupants.

Stables are insured against burglary at $10 per $1000, or burglary, theft and larceny at $15 per $1000.

No discounts are allowed for burglar alarm systems or night watchmen.

The policy conditions permit of the premises being left unoccupied for six months without notice. Beyond such time a permit is required and an additional premium charged.

The rates for doctors and dentists are about fifty per cent higher than the usual rates.

Policies may be written for one year or three years.

A sample form of burglary, theft and larceny policy is as follows:

POLICY OF BURGLARY INSURANCE FOR RESIDENCE.

In consideration of the premium and of the statements contained in the schedule hereinafter set forth, which statements the assured makes on the acceptance of this policy and warrants to be true, the ...... hereinafter called the company, does hereby agree to indemnify the person or persons designated in statement No. 1 of the said schedule, and any

members of their family residing with them, and any other person or persons residing with them who do not pay board or rent, hereinafter called the assured, subject to the following special and general agreements which are to be construed as coordinate as conditions:

For direct loss by burglary, theft or larceny of any of the property described in the said schedule and stated therein to be insured hereunder occasioned by its felonious abstraction from the interior of the house, building, apartment or rooms actually occupied by the assured also described in the said schedule, and hereinafter called the premises, by any domestic servant or other employee of the assured or by any person or persons, and

For direct loss by damage to the said property and to the said premises caused by any person while in or upon the said premises for the purposes of burglary, theft or larceny.

SPECIAL AGREEMENTS.

A. The liability of the company is limited to the several specific amounts stated in clause No. 12 of the said schedule, and subject to such limits, as respects each item, the total liability of the company hereunder is limited to ...... dollars ($......).

B. The company shall not be liable for loss; (1) if the property belongs to a domestic servant or other employee of the assured; (2) if the premises are left without an occupant for more than six consecutive months without written permission for a further period of non-occupancy endorsed hereon and signed by an officer of the company at the home office; (3) of money or securities for money unless the same are specifically mentioned in the said schedule and then only for an amount not exceeding fifty dollars ($50.00); (4) of any coin collection, stamp collection, medals, manuscripts, plans, patterns, models, molds or designs, deeds, documents of title to property and business books unless the same are specifically mentioned in the said schedule.

C. If the assured is an occupant of an apartment or flat house, this insurance shall cover goods in a locked storeroom in the same house provided for the exclusive use of the assured by the landlord to the extent of fifty dollars $50.000) and no more.

D. The period of time for which this policy is written is ...... months, beginning on the ...... day of ......, 190.., noon, and ending on the ...... day of ......, 190.., noon, standard time.

E. The premium for this policy is ...... dollars.

SCHEDULE.

1. The name of the assured is..
2. The business address of the assured is.............................
3. The occupation of the assured is....................................
4. The location of the premises insured hereby is.....................

(Street and No.)

....

(City or Town.) (State.)

5. The premises are fully described as follows:.......................

....

(State whether private residence, boarding house, apartment house or flat house.)

6. The portion of the premises occupied by the assured is.............
7. The premises are occupied by the assured as........................

(State whether owner or tenant.)

8. There is a regular front door or hall attendant, except as follows:...
9. There will be a resident caretaker within the premises at all times during the absence of the assured and his family, except as follows:....
10. The assured has not sustained any loss nor received indemnity for any loss by burglary, theft or larceny within the last five years, except as follows:..
11. The total value of all the property described below does not exceed .... Dollars ($ ......).
12. The insurance granted by this policy and the premium thereon is to apply specifically as follows:

	Ins.	Prem.
Item I. On money not exceeding fifty dollars ($50.00), articles of gold and sterling silver, plated ware, watches, precious stones, jewelry, wearing apparel, furs, laces, rugs, tapestries, paintings, etchings, engravings, pictures, books, clocks, bronzes, statuary, musical and professional instruments, sporting outfit, bicycles, electric light, plumbing, gas and water fixtures, household goods, household stores and personal effects common in residences generally.	$.......	$.......
....	$.......	$.......
Item II. On automobiles, tools, fittings and appurtenances thereof, horses, vehicles, harness, saddles, robes, blankets and other like articles while contained in the private stable building of the assured situate contiguous to the said premises.	$.......	$.......
Item III. On property contained in any safe or safes within the premises.	$.......	$.......
Item IV. On articles in the said premises separately insured as follows:	$.......	$.......
....	$.......	$.......
....	$.......	$.......
....	$.......	$.......
Total,	$.......	$.......

GENERAL AGREEMENTS.

1. The assured upon the discovery of any loss on said premises, shall, at the expense of the company, give immediate notice thereof by telegraph to the company at its home office in New York city, or to the nearest agent of the company, and shall also give immediate notice thereof to the public police authorities having jurisdiction.

2. Affirmative proof of loss under oath on forms provided by the company must be furnished to the company at its home office in New York city within sixty days from the date of the discovery of the same. Such proof of loss shall contain a complete inventory of all the property damaged or taken, stating the original cost and the actual cash value of each article at the time of the loss and the amount of loss thereon; a statement in detail of the damage done to the property of the assured; a statement clearly defining the interest of the assured in the articles or property for which indemnity is claimed; a statement in detail of the knowledge and belief of the assured as to the manner in which the loss was sustained and the date of its occurrence; a statement in detail of other concurrent or similar insurance, if any, whether valid or not, on the property insured and of the purposes for which and the persons by whom the premises described herein were occupied at the time of the loss. The delivery of any such form or its receipt or retention by the company shall not be a waiver of any of its rights. The assured shall facilitate the adjustment of any claim made by producing on the request of any person designated by the company any and all books, papers and vouchers bearing in any way upon the claim made, and by submitting himself and associates in interest and his employees and the members of his household to examination and interrogation by the company's representative under oath if required.

3. The assured shall grant the company's officers or representatives the right to inspect the premises at such times as they may deem needful; any such officer or representative may require the assured to make the premises reasonably secure and shall have the right to suspend the insurance under this policy until such requirements are complied with to the satisfaction of the company. Notice of such suspension and the reason therefor and of reinstatement must be in writing. The company will, on demand, pay to the assured the premium unearned pro rata during the period of suspension.

4. This policy does not cover any loss caused by the abstraction of any property from any safe or vault if this insurance expressly applies to property contained therein, unless such loss is sustained by entry into such safe or vault by burglars, and such entry is effected by the use of tools or explosives thereupon, nor any loss while the premises are undergoing repairs, renovation or alteration extending over a period of more than seven consecutive days, nor any loss from explosion except when occasioned by burglars, nor any loss from or contributed to by fire or alarm of fire, water, invasion, riot, war, strike or civil commotion, nor for any amount in excess of the actual cash value of the property taken.

5. All sums which from time to time may be paid or expended by way of indemnity to the assured under this policy shall be accounted in diminution of the insurance hereunder. The company may repair any damage to property, and it may replace any damaged or stolen article with one of like quality and value instead of paying for the same in money. Any article for which the assured has been indemnified by payment or replacement shall belong to the company if recovered, but the assured shall be entitled to it upon payment to the company of the amount of the indemnity or the cost of the replacement. If any stolen article is returned to the assured, or recovered by the assured, the same shall be reported to the company immediately and the amount of indemnity received thereupon shall be returned to the company by the assured, unless the company elects to receive the article so recovered.

6. If the assured carry other insurance, whether valid or not, against loss for which indemnity is provided hereunder, the company shall be liable only for its pro rata share of any such loss. The company shall be subrogated to the extent of its interests to any claims and rights of the assured against any third party in respect to any loss that may occur hereunder and the assured shall execute all papers necessary for this purpose.

7. No suit shall be brought under this policy until three months after the proof of loss as required herein has been furnished, nor at all, unless commenced within twelve months after the occurrence of loss.

8. In the event of a loss, the assured shall, at the company's expense, take such legal action as may be required by the company in the arrest and prosecution of the offenders.

9. This policy may be canceled at any time by notice in writing to the assured stating specifically when the cancellation shall be effective. It may also be canceled by the assured by like notice in writing to the company, provided the premium shall have been paid. If canceled on the company's motion, the company shall pay or tender to the assured the unearned premium pro rata. If canceled at the request of the assured, the company shall retain the customary short rate premium and return the balance to the assured. The check of the company mailed to the business address of the assured or to the location of the premises as given herein shall be a sufficient tender.

10. This policy shall be void if the conditions or circumstances of the risk are changed without the written consent of the company, or if the assured attempts in any way to defraud the company, or if the policy is assigned without the written consent of the company.

11. No condition or provision of this policy shall be waived or altered by any one, unless by written consent of an officer of the company at the home office, nor shall notice to any agent, nor shall knowledge possessed by any agent or by any other person be held to effect a waiver or change in this contract or any part of it.

12. In any matter relating to this insurance no person shall be deemed an agent of the company who is not duly authorized in writing.

Domestic Tourist Floater.

To those who travel much and are compelled to carry with them at all times personal effects of some value, the loss by burglary, theft or larceny becomes of serious importance, as well as great annoyance. A tourist policy indemnifies the assured against loss from such a cause, whether the baggage be in possession of the railroad expressman, hotel or place of temporary residence anywhere in the United States or Canada. The rates are $25 per $1000 with a minimum premium of $10.

Horse and Wagon Insurance.

The frequency with which teams while standing unattended upon the streets are quickly driven off by some convenient sneak thief has rendered teams theft insurance a necessity. The policy indemnifies the assured against loss by burglary, theft or larceny of the horse, wagon or harness from the stable or while in use anywhere in connection with the business of the assured. The rates per annum: Amount, $500; premium, $24, and $4 per $100 beyond; minimum premium, $24.

United States Bonded Warehouse.

This class of burglary insurance covers the assured for loss of goods held by him in trust for which he may be liable, including the payment of internal revenue taxes and customs duties for which he may be obligated to the United States government. Amount: $1000, premium $36, minimum; $2000, premium $60; $3000, premium $84; $4000, premium $99.

Credit Insurance.

This class of insurance was tried by a number of companies, but all of them went out of existence, the last of them reinsuring in a foreign company, admitted to do business in the United States, and which for a time was the only company transacting this class of insurance. One company has since started confining itself to credit insurance entirely, while two or three other companies are doing it as accessory to casualty insurance.

It is in effect the protection of merchants and others against excess loss from granting credit to customers, and from the very nature of the insurance is greatly affected by the condition of trade and the number and extent of commercial failures.

The general features of the insurance provide that the insured shall bear a certain initial loss, that the company shall be liable only for a certain amount in any one loss, and that there shall be a limit for any one year, which limit forms the basis of the premium charge.

The contract provides that credit to any one customer shall be limited to a certain percentage of the ratings given in some standard mercantile rating book. Credit given beyond such limits, or to firms without the necessary rating, are at the insured's own risk.

Customers who are not rated may be covered under certain restrictions by special arrangement with the company.

The object of throwing upon the insured the initial loss is based upon the fact that every house expects, as a necessary part of their credit transactions, to incur some loss, and the average amount of such loss over a period of years is regarded as normal and treated as the initial loss. The object of the insurance is to protect against any loss in excess of the normal.

During the policy year the assured is required to give notice of any loss that may involve a claim against the company.

The adjustment of the policy is effected at the end of the year.

A loss is generally regarded where—

(a) The stock in trade of a debtor has been sold in judicial proceedings.

(b) Where a writ of attachment has been issued on account of insolvency.

(c) Where a debtor makes a compromise settlement with his creditors.

(d) When a petition in bankruptcy or insolvency under the State or Federal law is filed.

(e) Upon the appointment of a receiver in insolvency.

(f) When a chattel mortgage for the benefit of creditors is given.

(g) When a debtor dies and the legal representative certifies the estate cannot pay the debts in full.

(h) When an execution in favor of a creditor is returned unsatisfied.

(i) When the stock in trade is transferred to a trustee for the benefit of creditors on the ground of insolvency.

(j) When a debtor has been sold out or has transferred his stock in trade in order to avoid payment of his debts.

Physicians, Dentists and Druggists Liability.

A policy is issued covering against loss from liability imposed by law for damages for injuries resulting from alleged error or malpractice in the practice of the assured's profession, including similar liability by any assistant acting under assured's instructions, including the defense, at the cost of the company, of any suit.

The policy does not cover any violation by the assured or his assistant of any law or ordinance, nor any act done while the assured or assistant is under the influence of intoxicants or narcotics.

Physicians Defense.

This policy undertakes to defend against all civil suits for damages for malpractice in the course of professional services, and to pay all costs and expenses of defending such suits not exceeding $2500 in any one case nor $5000 in any one year.

The premium for this policy is $10 annually.

General Water Damage.

Insurance is granted in respect of mercantile risks covering against direct loss or damage to property of the assured, and to merchandise held in trust or consigned to the assured, caused by water resulting from flood or inundation, or backing up of sewers or outside drains, or by water or by steam from plumbing, cylinders, steam pipes and windows upon the building.

In the event of claim, the company may pay the full amount and take over the damaged property, or repair or replace with goods of equal kind and quality.

The premium is based upon the amount of insurance and the physical nature of the risk.

Sprinkler Leakage.

Insurance in this case covers against loss or damage to property of the assured and to property held in trust or consigned, caused by the accidental discharge or leakage of water from the automatic sprinkler system erected on the premises, occupied in whole or partly by the assured.

The rate is dependent upon the system, the number of heads, the date of erection, the pressure, the general equipment and the nature of the stock.

The policy may be applied to cover on merchandise, on machinery, or on building.

Title Guarantee.

The title to property is insured, the charge being based upon the value of the same and the locality, the minimum fee being about $40. In addition, there is a charge for any tax search that may be necessary, which varies from $3 to $10, according to locality.

Fly-Wheel.

Insurance covers against loss caused by explosion, bursting, disruption or breakage during rotation of the fly-wheel or fly-wheels.

(1) For loss to the fly-wheels and other property of the assured.

(2) For loss or damage to the property of others.

(3) For loss from liability for personal damages limited to the amount of the policy.

In addition to the above an endorsement will be granted on payment of an additional premium, for a fixed sum per diem during such time as the assured is deprived of the use and occupancy of the premises.

Strike Insurance.

Strike insurance is carried on by one mutual company in Connecticut. The form of policy is similar to the fire contract of the New England mutual fire companies, the difference being that "strike" is substituted for "fire" in their use and occupancy policy.

In case of a total shut down of production as the result of a strike a manufacturer loses his net profits and, in addition thereto, he is obliged to maintain certain fixed charges until able to begin producing again. This loss is covered by "strike" insurance.

The sum of the net profits and the above fixed charges make the amount of insurance for which the manufacturer should take out insurance. If the insurance be for less, the manufacturer becomes a proportionate coinsurer.

Losses are adjusted on the basis of 300 working days in the year, and the premium is based upon the facts disclosed in the application.

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INSURANCE AND THE LEGISLATURE.

THERE are those who apparently entertain the idea that anything that is not in accord with the highest ideals must be brought up to standard by the enactment of new laws. If there is a tightness in the money market, cure it by legislation; if labor conditions are not satisfactory to the laborers, make it so by law; if men's morals need reforming, reform them by statute. Whatever is, is wrong, and can only be cured by the enactment of new laws. Such seems to have been the opinion of the Armstrong insurance investigating committee when it dragooned the New York Legislature into passing various bills placing arbitrary restrictions upon the business of life insurance. Having discovered that certain insurance officials of a very few companies had been recreant to their duties, instead of merely recommending legislation to safeguard the companies against such derelictions in future, the committee forced the enactment of laws that, in their effect, punish all companies doing a life insurance business, the innocent suffering equally with the guilty. If legislation had been confined to measures to prevent extravagance and peculation, no one would have objected, but the laws that were passed, to a great extent, dictate how a company shall be conducted and rob the executive officers of the power that naturally belongs to them, and that the policyholders expect them to exercise. These laws have been in force for a year, the companies yielding implicit obedience to them. The result has been that they have seen their business fall off to a large extent, their trained and trusted agents driven from the field, they have been curtailed in their legitimate expenditures, and restricted in their dealings with their policyholders. The loss to the companies in the aggregate will foot up to millions of dollars, while policyholders will suffer to a considerable degree. Before these restrictive laws were enacted, the life insurance companies were in the full tide of success, growth, and prosperity, financially strong, and leading the world in the development of the business and the dissemination of life insurance benefits throughout the community. The Armstrong legislation not only checked the flow of new business, but, following the committee's investigations, contributed largely to creating in the public mind a distrust of the whole system of life insurance. It will take years of careful, energetic work on the part of company managers to recover the ground lost in consequence of these restrictive, objectionable and unnecessary laws.

The legislature will meet again in a few weeks, and efforts will be made to correct the disastrous insurance legislation of 1906. New laws are not required, but the repeal of such of the Armstrong laws as interfere with the proper development of the companies is to be preferred. But the legislature is liable to do still more damage unless it is properly directed, and the facts of the situation clearly presented to the members. The leading men in life insurance should get together and decide upon what they want in the way of relief, and then have their views presented to the legislature by capable, intelligent persons, whose statements will have weight. At the hearings before the legislative committee there was no organized opposition to the Armstrong bills, and as a consequence there was no unanimity of testimony, and the cause was injured, rather than helped, by the diversity of opinions expressed. If the efforts this winter are to be on a go-as-you-please basis, everyone being at liberty to appear and present his own selfish views, nothing will be accomplished. If anything is to be done it will require organized and systematic effort. Agents whose business was demoralized by the conditions imposed by the Armstrong laws are looking to the executive officers of their companies to secure relief for them through legislative action this winter. They have seen their best men driven away from them, their compensation reduced, and their efforts crippled in various ways, and unless the conditions are improved, further demoralization of the agency forces of the companies is inevitable. That the success of the companies is dependent upon the ability and loyalty of the agents is a fact long since conceded by the executive officers. The agents are not only the business getters, but are the missionaries spreading the truths regarding life insurance broadcast throughout their respective fields. Whatever tends to detract from their enthusiasm or their loyalty is a public calamity. This the Armstrong legislation does to the limit, and a prompt remedy for the evil thus done should be applied.

RELATIVE PREMIUMS IN FIRE INSURANCE.

IN his annual report covering the transactions of fire and marine insurance companies in 1906, to Governor Patterson, the Hon. Reau E. Folk, Insurance Commissioner of Tennessee, said in part:

> I think it a sound principle that a company should charge the same rate on the same character of property throughout the entire field of its operation, even though all the States be embraced. * * * Statistics show that the average premium rate charged for this State is higher than the average rate charged in most of the other States. The rates here, in my judgment, are too high and constitute a burden upon our people. On the other hand, the fire waste, as shown by sworn reports of the companies, has at times been very large. * * * Every citizen should be entitled to have attached to his policy a schedule showing how his rate is made and the charges included for any deficiencies. He could thus know what reduction he would re-

ceive if he should cure any deficiencies in his risk, and I recommend that each company be required to furnish such a schedule.

With reference to the statement that the average rate of fire premium charged in Tennessee is higher than that charged in most of the other States, one of the fundamental principles of underwriting is, that each individual risk must be rated according to its inherent and acquired physical hazards; the condition of the fire department and water supply surrounding it; the existence or non-existence of a comprehensive building ordinance providing for systematic inspections, and, last, but not least, any moral hazard that may be involved. A risk may be situated in a town in Tennessee that is lamentably deficient in fire protection, etc., while a risk of the same class and character in another State may enjoy the protection of a first-class fire department, an adequate water supply and periodical inspections by building inspectors, or those charged with the duty of seeing that no rubbish is allowed to accumulate in any part of a building. Both risks are of the same class; one is hazardous, while the other is desirable. Looking into the average fire premium rate charged in Tennessee by the fire and marine insurance companies operating therein, it is found that in 1906 the stock fire companies domiciled in that State charged an average rate of 1.73 per cent, whereas the stock fire companies of other States and countries charged but 1.13 per cent. The average ratio of losses paid to premiums received by the Tennessee companies amounted to 33.54 per cent, and that of companies of other States and foreign countries 82.24 per cent, while the average ratio of expenses to premiums received were, respectively, 56.59 per cent and 34.84 per cent, thus demonstrating that the domestic companies charged over one-half more for premiums than did the outside companies, incurred an average fire loss ratio of 48.70 per cent less than that of the outside companies, and paid, on an average, 21.75 per cent more for obtaining and conducting the business. As illustrative of the experience in Tennessee during the past twenty-four years, 1883 to 1906, inclusive, the premiums received by all fire and marine companies operating in that State were $49,123,241, and the losses incurred $33,591,706, an aggregate loss ratio of 68.38 per cent. Regarding the proposition that every citizen should be entitled to have attached to his policy a schedule showing how his rate is arrived at, THE SPECTATOR commented on this measure editorially a few weeks ago. Among other matters featured in connection therewith, a recommendation was made to the effect that not only might legitimate fire underwriting charges be included in the make-up of the insured's schedule, but also the percentage of the aggregate taxes and fees imposed upon the company by the State for the privilege of transacting business within its borders, so that property-owners might become conversant with the part that the system of taxing a tax has upon the rate charged. There is an anti-coinsurance and an anti-compact law in force in Tennessee, while the tax rate—2½ per cent on gross premiums, less return premiums—is higher than in a number of other States. The anti-coinsurance law has a tendency to reduce premium income in proportion to property values without effecting any corresponding decrease in losses, and the anti-compact measure, while making it impossible for the companies to exchange experience and thus arrive at an approximate cost of carrying various classes of risks, forces each individual company to gauge the cost of insurance through its own limited experience, thereby creating a condition under which companies are likely to charge more than would be necessary if reasonably accurate knowledge of cost was obtainable through a common association of experts organized for the purpose of classifying and inspecting risks throughout the State. These handicaps in the development of scientific fire underwriting methods cannot fail to cause increased expense to the citizens of the State imposing them.

FAST speeding of automobiles continues to bring before the courts many of the owners of such vehicles. Usually they are let off with a light fine, but invariably protest that they were not aware that they were going too fast. The fact is that when a man gets into an automobile, and takes the steering wheel in hand, he becomes possessed of the "automobile devil," and is not content unless he is driving the machine at full speed. There is an exhilaration and a fascination about riding at a swift pace that are irresistible, and it is not surprising that so many automobilists are arrested for violating the speed ordinance in town or country. Many of these fast drivers are not the owners of the machines they manipulate, but are the hired servants of the real owner. Unknown to their employers, they take out the automobiles, fill them with their friends, and are off for a wild ride. In many cases the entire party has become intoxicated, driving the machine so recklessly as to endanger the lives of all persons they meet, and wind up with smashing the automobile. The courts are not at all lenient with this class of evildoers, but give them a taste of imprisonment in addition to imposing a fine. The question has frequently arisen as to what extent the owner is liable for the damages done by his machine when under the care of his servant, who has taken it out without the owner's permission. The cases that have come before the courts thus far have resulted in exonerating the owner from liability under such circumstances. This is good common sense, as well as good law. It is an easy matter where an automobile is kept in a public garage, for the chauffeur, who is in the habit of using it for his emplower, to obtain it at any time, for the keeper of the garage will presume that he has authority to do so. It would be rank injustice to hold the owner for damages that a drunken chauffeur may cause, acting on his own responsibility.

New York gossips have been very busy since the change in the programme of the Banta companies, by which they are, with two or three exceptions, consigned to the care of Wallace Reid. One of the sensational yarns is that Mr. Reid was obliged to pay on agreement $25,000 for the agencies; but the inquiry to whom failed to elicit a reply. Then there was a well-groomed rumor to the effect that some unheard of debts due to the Banta estate were assumed by the new agent. All these stories derived their strength from their frequent repetition and the failure to deny their truth. The $25,000 story found its way into print, and it could have been put to rest by an explicit denial. The gossips were explaining the connection between the transfer and the dues of the Banta estate, and, as a kind of sauce, added that before the companies in Philadelphia consented to the deal, they exacted a promise that no preference should be shown in the acceptance of new business to the American of Newark, which happened to be Mr. Reid's first agency. We have reason for saying there is nothing in it.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

The financial conditions have improved considerably within a week, and the indications are that the prices of stocks and bonds will, by the last of the month, have shown material gains. The fire offices especially are in much better shape than they were a fortnight ago. If abnormal losses do not interfere, the fire offices will not show such a percentage of loss as has been freely predicted.

The Excelsior's affairs have been freely discussed among brokers and underwriters lately. The suicide of Howard Maxwell of the Borough Bank made a vacancy in the office of treasurer of the Excelsior Fire, and the severe articles in the dailies relating to William Gow, who is or was chairman of the executive committee of the company, have afforded further suggestions for gossip. A broker said he now understood how Armstrong came to post thousands of placards in the subway cars—it was an advertising job for Ward & Gow, both of whom were Excelsior directors and profited by the order. What an interesting party to organize a fire insurance company!

The branch office question has not been heard of recently in the loud and aggravating way of twelve months ago. As one of the sufferers said, "perhaps the branch agents have concluded to be honest for a brief period;" but there is hardly any room to doubt many of them are in collusion with a class of brokers whose affiliation with these offices is well known. The evil of it all is the disadvantage of the legitimate brokers, who are content with the regular commission of the Exchange companies, and are cheated by their neighbors who pay rebates from the higher commissions received by or through branch offices.

The American marine offices have taken in handsome premiums on the marine risks of the heavy importations of gold lately arrived. One of the New York banks, which has been one of the largest importers, steered the insurance on their gold shipments through London so as to give the bulk of the bank's own amounts to an American office. But the largest source of income from this source has undoubtedly been reinsurances for English companies, including Lloyds, whose risks ran up into the millions sterling.

The end of the lake navigation season last Saturday, was a great satisfaction to the few companies which were carrying hull risks on extensions of their summer policies until that day. We are advised the experience of the hull underwriters has varied, but it is estimated that about half the companies made a profit and the other half closed the season with a moderate loss. The English Lloyds' policies are believed to have been a losing game to the underwriters.

Some of the interested companies are disappointed to learn that the loss adjustment on the traction car barns on Lenox avenue, which burned last spring, is not yet completed, and by the further discovery that the value of it is far less than anticipated. A short time ago the receivers were indifferent to the early settlement of this claim; now, with prospective litigation for their removal, they are anxious to see the cash.

The survey committee of the Board has not given up the hope that, through the National Fire Protection Association, they may bring about the adoption by the National Board of Underwriters of a nearer conformity to the standards for doors and windows heretofore used by the local underwriters.

The Mechanics, the Reliance and the Union of Philadelphia have appointed Wallace Reid their New York city agent, succeeding the late W. S. Banta.

Sydney Ashbridge goes with Newman & McBain as superintendent of agencies.

A slick chap has been working among residents of the uptown districts, with some success, soliciting fire insurance business for an imaginary company. His plan is to select a neighborhood in which there has recently been a fire, and make a house to house canvas, using the fire as an illustration of the necessity for having insurance. He then collects a few dollars from such credulous propertyowners as he can induce to apply for insurance, and forgets to return with the policy. One of the company names used by this lightning solicitor is, we are informed, the "Hamburg-American Insurance Company."

The New York Board of Fire Underwriters, through its survey and electrical departments, has issued its usual warning to storekeepers, calling their attention to the danger of invalidating their insurance policies by increasing their hazard in the matter of holiday and other decorative displays not approved by the Board.

George A. Stanton & Co. have been appointed general agents for the Lumber and the Adirondack Fire for the United States and Canada, excepting the cities of New York, Chicago, Philadelphia, Boston and St. Louis, for surplus lines on properties equipped with "approved systems of automatic sprinklers."

Hall & Henshaw have been appointed United States attorneys for the National Insurance Company, Limited, of London.

BOSTON AND VICINITY.

Although, at the time of writing, Insurance Commissioner Hardison has not named his deputy, it is announced that he will do so before this issue of The Spectator is out, and the choice will be C. W. Fletcher, the present examiner, formerly Deputy Commissioner of Maine, and that Mr. Hodgkins of the actuary's office will succeed Mr. Fletcher as examiner.

Relative to the valuing of the securities of insurance companies, the method adopted by the Massachusetts Department two years ago, when it first began to value securities, is to have a broker of recognized standing establish the value of the securities. This year the name of the broker will be made public, and the insurance companies will be directed to send their lists of securities to him.

There is a good deal of discussion both as to the position taken by the meeting and as to the other side of the question. The Massachusetts Department is understood not to be in accord with the action of the New York meeting, but none of the discussions appear to give particular attention to the position and the interests of the policyholder in the matter. It is understood to be the position of the Massachusetts Department that the safety of the policyholder should be the primary object of all regulations. If a company were positive that it would not be obliged to dispose of any of its stocks until quotations thereon had recovered from the present low plane, or any of its bonds until maturity, the ideas set forth by the meeting would not be unsound, but it is entirely uncertain when a company will be called upon to liquidate securities in large amounts in order to make payments to policyholders. Hence, on that ground it is held that the interests of the policyholder require that valuations of securities be based on the market quotations at the time the valuation is made, and such, it is understood, will be the rule with the Massachusetts Department this year.

The new suburban underwriters association is putting forth every effort to secure as large a percentage of agents in the suburban district of Boston as possible in order to be in a position to open negotiations with the Boston Board of Fire Underwriters.

Isaac B. Kendall, of the Charlestown district of Boston, a veteran fire insurance man, died November 26, aged seventy-two.

The manager of the Underwriters Bureau of New England, reporting on sprinkled business, states that the losses in New England during the past year have been four times what they were the year previous. There were reported 230 fires, the average loss per fire being approximately $4800, compared with $1100 last year.

The Bureau has elected the following officers: Treasurer, E. B. Cowles; secretary, Gorham Dana.

NOTES FROM PHILADELPHIA.

Roberts C. Robinson has resigned as second agent of the Union of Pittsburg.

The Commonwealth Title Insurance and Trust Company of this city has been made depository for subscriptions to the stock of the

International Fire and Marine Insurance Company, which is in process of formation here, and which expects to apply for a Pennsylvania charter about January 1. Stock is being sold at $20 per share, par value $10, leaving $10 to be placed in surplus account. The amount of capital stock to be sold before the charter is applied for is $500,000, but subsequently it is expected this amount will be increased to $5,000,000. Irvin Zimmerman, who recently organized the Atlantic Casualty Company, is organizing this new company, and prominent business men are at the head of the project.

The recent statement by Chief McLaughlin of the Electrical Bureau that the fire alarm system of this city is antiquated and unreliable, has started the Philadelphia Fire Underwriters Association upon an investigation into its condition. It is said, however, that changes along lines laid down by Mr. McLaughlin are being made, which will very shortly place the fire alarm and police call system of Philadelphia among the most complete in the world, and at small expense to the city.

Wm. L. Bradway has been appointed second agent of the Eagle Fire.

Percy Ruth, the efficient stamp clerk of the Philadelphia Fire Underwriters Association, who has occupied that position for a number of years, has left to become secretary and stamp clerk of the board at Scranton, Pa.

Mason C. Christie, an assistant fire marshal, has resigned, and Director Clay has named as his successor temporarily Charles Whitmore.

Practically every office doing a fire insurance business in this city is complaining of the gradual lessening of receipts. One agent, in commenting on the situation, while admitting that the premiums of his office would show a reduction for the year, seemed to see the silver lining to the cloud in the feeling that his leading company would be gratified by the very considerable reduction shown in its receipts, indicating, as it does, his prompt and effective efforts to reduce its commitments in the congested section to the maximum limit laid down for him. In addition to the reduction of the receipts of many companies, due to the pursuance of a similar policy, there is the natural reduction due to the removal in January last of most of the advance ordered as a result of the extraordinary drain on companies as a result of the San Francisco conflagration, a reduction which it is generally felt has not been offset by any natural increase in business.

Percy Ruth, the efficient and popular stamp clerk of the Philadelphia Fire Underwriters Association, who has occupied the position for several years, resigned recently to accept the position to which he was recently appointed as secretary and stamp clerk of the Scranton Board, which was recently vacated by Thos. A. Hird.

F. G. Krueger has been appointed Western Pennsylvania special agent of the Aachen and Munich. He will eventually establish his headquarters in Pittsburg, although for the present they will be at New York city.

THE MIDDLE STATES.

—The Washington Fire of Seattle has entered New York State.

—John E. Creth, head of the Philadelphia insurance firm of Creth & Sullivan, died this week, after a short illness. Mr. Creth, who was sixty-six years old, was one of the most widely known fire insurance adjusters in Philadelphia.

—The Philadelphia Underwriters will discontinue its State agency office at Albany on January 1, and the State of New York will be added to the Middle department under the management of William A. Holman. The New York State department of the Insurance Company of North America and the Alliance of Philadelphia will also be transferred after January 1 to Philadelphia, in charge of A. C. Shafer, who has been acting manager since the death of Charles R. Knowles.

—Insurance Commissioner Wolf of Californa has refused certificates of authority to do further business in the State to the Commercial Union and the Palatine of London and the Williamsburgh City Fire. It is stated that the trouble arose owing to the companies removing suits from the State courts to the United States courts, the penalty for which, under a law enacted at the last session of the legislature, is forfeiture of license.

THE NEW ENGLAND FIELD.

Death of Philander C. Royce.

Philander C. Royce, secretary of the Hartford Fire, fell dead from heart disease last Sunday at the Grand Central Station while waiting for some friends whom he had come to New York to visit.

Mr. Royce was born in 1838 at Plainfield, Ill., and obtained his early education there, graduating from Knox College, Galesburg, in 1860. After leaving college he taught school, and in 1863 was elected superintendent of city schools and principal of the high school at Joliet, Ill. Two years later he entered the fire insurance business, accepting the local agency at Joliet of the Hartford Fire and other companies. After a few years he became special agent of the Merchants of Chicago, which failed in the Chicago fire of 1871. In May, 1872, Mr. Royce entered the service of the Hartford as special agent in the Western department, leaving that in August, 1876, to fill the office of secretary of the Girard Fire and Marine. He returned to the Hartford Fire in 1881 as assistant secretary, succeeding Mr. Whiting as secretary in 1886.

Mr. Royce was prominently identified with Hartford public affairs. He served four years as a member of the Hartford common council, one year as president of the board of aldermen, and at the time of his death was a member of the Hartford board of park commissioners.

William T. Howe, assistant secretary of the Connecticut Fire, has been appointed secretary pro tem, succeeding the late Charles R. Burt. The permanent selection will be made at the annual meeting of the company in January.

THE WEST.

Ohio Items.

[From Our Own Correspondent.]

A. A. Kingsbury, the leading non-Union agent at Chagrin Falls, died suddenly a few days ago.

Among the worst blocks found during the recent inspection at Cincinnati was that containing the Walnut Street Theatre. It is said that the member of the association who inspected this block got such a fright that he canceled every dollar of liability held in the block by his three companies. Naturally the local agents throughout the city did not like this, and rumor has it that they have boycotted the three companies ever since. The report of the inspection which ordinarily would have been made to the association at the last quarterly meeting held a week ago, is being held up in the executive committee. Some sort of statement is expected to be forthcoming at the next quarterly meeting, which is being anticipated with interest.

A recent compilation shows that the average proportion of insurance to value carried on fireproof buildings in Cleveland is sixty-six and two-thirds per cent.

The financial flurry has touched the Cleveland agents with particular force on account of the necessity of rebating to the insured just at this time for high-pressure water service rate reductions, and some of them are discounting their bills with any more fortunate agents in order to get cash. It is estimated that some of the offices with large volumes of congested district business have fouud it necessary to refund to the insured amounts aggregating several thousand dollars.

The Ohio field men of the Continental and Fidelity have resigned their memberships in the Ohio League, which is the organization of special agents looking after non-Union interests in that State. Rumor has it that the home office of these companies is not favorable to the policy of the organization in important particulars and that it prefers to paddle its own canoe rather than to become involved with the authorities in a non-compact State.

At the quarterly meeting of the Ohio State Fire Prevention Association, held on November 12, D. P. Barrett was succeeded by Miss L. M. Foster as secretary and treasurer. Miss Foster is also the secretary-treasurer of the Ohio State Association of local agents.

The Cleveland agents have begun a pleasing innovation by arranging for addresses at quarterly meetings by leading lights. Heretofore the meetiugs have been cut and dried affairs from which every one went away in the hope that the next three months would pass slowly. Last week, however, Thomas E. Gallagher, who, after January 1, will be the Western general agent of the Ætna, with headquarters at Chicago, talked to the meeting and his address was recognized as a real education. He cited the Ætna's loss ratios on a large number of classes and some of them were indeed a revelation. He was listened to with the closest attention for, as a matter of fact, the intelligent local agent has developed a great hunger for loss ratios by classes during the general

application of rating schedules in the last few years. Some of the agents asked Mr. Gallagher why he couldn't arrange to furnish to them the average loss ratio of a number of affiliating companies on various classes, so that when a customer asked them why rates on his class were advanced twenty-seven per cent, for instance, they could give an intelligent answer instead of being forced to admit that they didn't know and couldn't prove whether twenty-seven per cent was a fair figure or not. Mr. Gallagher only threw up his hands and said he guessed the day of really good reasoning in all activities of the companies hadn't dawned yet.

George R. Burglehaus, formerly inspector for the Ohio Inspection Bureau at Youngstown, goes with the rating organization at Terre Haute, Ind., the State where strong men are needed at present on account of rate troubles. He is succeeded by I. S. Hewit, formerly a local agent at Conneaut, Ohio, and later stamping secretary at Ashtabula.

Columbus, November 30. CHRISTOPHER.

Ohio Notes.

[From Our Own Correspondent.]

Although the insurance on boats and cargoes expires on Thursday of this week on the lakes, coal men at the Ohio ports will ask for an extension to about the middle of December in order that they may complete shipments on their orders and take care of the new business that came in late. As the weather so far has been fair, and the losses during the latter part of the season of navigation has not been extraordinarily heavy on this class of business, it is possible that the companies will follow their custom in this matter and extend the term to the time desired, especially as they will receive a good rate for the business.

Through the efforts of Deputy State Fire Marshal H. T. Brockman, an indictment has been found against Nathan Berman on the charge of arson. Brockman charges that Berman is a member of a gang that makes a practice of mulcting insurance companies by a peculiar method. It is claimed that they own a stock of half-burned cloaks and suits. One member will rent a store room in a city and install this stuff, with some other good garments with which they pretend to do business. Soon a fire occurs, and before doing a great amount of damage to the building is extinguished by the fire department. When an inventory is taken it is found that most of the stock has been damaged to such an extent as to make it worthless, and the man collects from the insurance companies. This half-burned stuff is then shipped to another city and the same performance is repeated, possibly under another name. It is claimed that the men have operated in Cleveland, Cincinnati, Pittsburg and Chicago. Berman was arrested some time ago on the charge of causing a fire in his establishment in Cleveland, and another in Cincinnati, but in some way he secured a discharge on both charges. Brockman believed he had a case, however, and kept on with his investigations until he secured the indictment. O. M. C.

Cleveland, December 2.

—H. E. Bowers of Crawfordsville, Ind., has been appointed special agent of the German of Indianapolis.

—John L. Lucas, a well-known Chicago manager of Lloyds organizations, has been adjudged insane and sent to an asylum.

—The Hawkeye of Des Moines has entered the general agency of Gorham-Braden Company of Minneapolis, which will plant the company in Minnesota and Wisconsin.

—Attorney-General Hadley of Missouri has given notice that he will resume the hearing at St. Louis before the referee as to alleged violations of the anti-compact law, on December 12.

—W. P. Martin of Kansas City, Mo., has been appointed special agent of the London Assurance for Missouri and Kansas, succeeding A. B. Diggins, who retires to devote his attention to his local agency at Springfield, Mo.

—Arthur I. Vorys, Ohio Superintendent of Insurance, will be succeeded on December 10, by C. C. Lemert, executive clerk in the Governor's office. The retiring Superintendent will devote his time to managing Taft's campaign.

—E. E. Siler of the Ohio Inspection Bureau has been appointed Ohio special agent of the Niagara Fire, with headquarters at Portsmouth. He succeeds J. P. Singleton, who is to become assistant manager of the company's Western department.

—The Minneapolis aldermen have passed a resolution instructing a special committee to look into the advisability of extending the fire limits of the city. Building Inspector Houghton recommends that the limits be extended on both the east and west side of the river.

—The special meeting of the Western Union, which was to have been held at Chicago, not later than December 19, will probably be postponed until early in the coming year. The work connected with determining the right of companies in anti-compact States and recommending the policy to be pursued is much greater than was at first anticipated, consequently the matter may go over to the regular meeting at Augusta, Ga., in April, 1908.

—Advance reports indicate that bills introduced at the coming session of the legislature, regulating the insurance companies in the new State of Oklahoma, will include a measure requiring all companies incorporated under the laws of the State to invest not less than seventy-five per cent of their surplus funds in securities located in the State.

—It is probable that the governing committee of the Union will have an independent rating bureau established in Illinois, patterned after those in other States, and thus divorce all rate-making power from the Illinois State Board. C. F. Persch, secretary of the Illinois State Board, may become manager of the rating bureau.

—A. T. Graham, for several years manager of the brokerage department of Moore, Case, Lyman & Herrick of Chicago, has resigned to become manager of the surplus line department of Klee, Rogers & Co. Mr. Graham was the recipient of a handsome silver filigree coffee set from Moore, Case, Lyman & Herrick, on leaving the firm.

—A standard farm form of fire insurance policy is being agitated in Michigan. At a recent meeting in Detroit of special and State agents of companies writing this line, a committee was appointed consisting of Charles A. Reekie of the Detroit Fire and Marine, George Armstrong of the Ætna, and W. B. Bierce of the Bierce & Sage general agency, to draft a form to be considered at a later meeting.

THE SOUTH.

Insurance Taxation Committee.

Insurance Commissioner H. R. Prewitt of Kentucky, chairman of the committee to secure statistics relative to the system of taxation of insurance in comparison with other business, has called a meeting in Louisville, December 19, and has invited all the insurance officials throughout the country to be present. The chairman has addressed the following interrogatories to the various State Insurance Departments:

1. What is the system of taxation of insurance companies in your State?
2. On what basis is tax collected?
3. Is State tax in lieu of all other tax?
4. If not, on what basis do counties and municipalities impose a tax?
5. If taxed by counties and municipalities as well as the State, what proportion does the total bear to premium income of companies affected?
6. State if the same tax is imposed on all insurance companies or whether a different tax is imposed on different kinds of insurance companies?
7. On what basis are railroads taxed in your State?
8. On what basis are other properties taxed?

In order that the committee may be fully informed as to the manner and method of the taxation of other property in your State, I think it would be well if you could obtain information as to how other businesses are taxed; ascertain the gross income of a retail drug store, a dry goods store, a grocery and any wholesale store; also ascertain the amount of taxes actually paid by each of these stores. It is not necessary to give the names of the parties who furnish you this information. Get the facts and in this way the committee will have sufficient information to make a comparative statement as to other properties. Please furnish any other information pertaining to the system as outlined above.

The insurance companies have also been requested to send a spokesman on this occasion.

Leon Irwin & Co., New Orleans.

Leon Irwin & Co. of New Orleans are now permanently located in their own building, 736-738 Union street, where they are better than ever prepared to handle business with promptness and efficiency. Their new quarters are fitted with every modern convenience to facilitate the conduct of their business, and is one of the handsomest offices in New Orleans. The firm writes fire, liability, casualty and other insurance, and represents a good list of companies, for which they have always made money. Irwin & Griffin are general agents for Louisiana and Mississippi for several companies. Mr. Irwin enjoys a high reputation as an intelligent and energetic underwriter.

—The Michigan Commercial of Lansing has been elected to membership in the South-Eastern Tariff Association.

—The Equitable Fire and Marine is now represented by Trezevant & Cochran of Dallas, Tex., for Texas and Louisiana.

—J. L. M. Waggaman, in the general agency of McClure, Kelly & Co., Houston, Tex., has been appointed special agent for the companies represented by that office for South Texas, with headquarters at Houston.

MISCELLANEOUS FIRE NEWS.

—J. A. Christie & Co. of Winnipeg have been appointed general agents of the Lumber of New York, for Manitoba, Alberta and Saskatchewan.

—The Phœnix of London and the Pelican of New York have notified their Pacific Coast departments that they have decided to eliminate the earthquake clause from their policies.

—The Ontario Local Fire Insurance Agents Association, which came into existence nearly three months ago, has the following named officers: President, S. C. Young; vice-presidents, O. L. Steele, W. B. Stephens; secretary-treasurer, Neil Campbell. The objects of the association are identical with those

of the United States' organizations, and, as a result of a recent conference of the executive committee and company managers, the former is optimistic regarding the co-operation of the companies.

—The California Insurance Company announces that E. C. Ford, Northwest special agent of the company, with headquarters at Seattle, will be succeeded by A. N. Lindsay. F. C. H. Robins, formerly with the American of Newark, will replace Mr. Lindsay as special agent for part of California and Arizona.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

The monthly meeting of the metropolitan managers of the Equitable Life was held last Monday night at the Union League Club. The managers were the guests of Second Vice-President Geo. T. Wilson at dinner.

The case of Thomas Polk and other policyholders of the Mutual Reserve Life has been settled by the United States Supreme Court. When the reincorporation of the Mutual Reserve Fund Life as the Mutual Reserve Life took place plaintiffs alleged that their contract rights were impaired by the reincorporation and that the law under which that action was taken was accordingly void. The bill also averred that both the old and new company were insolvent, and asked that the affairs be wound up and the assets be distributed among the policyholders.

The Circuit Court dismissed the bill for lack of equity, but the Court of Appeals certified to the Supreme Court the Federal questions raised as to the validity of the reincorporation, and the laws under which it was done—whether they impaired the obligations of the policies or deprived the holders of property without due process of law.

The Supreme Court now holds that the law under which the company was reincorporated did not violate any of the rights of the policyholders and was therefore constitutional. The transformation to the premium plan, the court said, merely enlarged the powers of the company, which was still a mutual company under a new name with unchanged membership, and bound to perform all its existing obligations. No new company was created. The proceedings for winding up the affairs of the company, therefore, fall.

Justice Dowling, of the criminal branch of the Supreme Court, has dismissed the seven indictments for forgery against John R. Hegeman, president of the Metropolitan Life, but sustained three indictments against Mr. Hegeman for perjury. These indictments are based on alleged false reports to the State Insurance Department to cover certain "year-end" transactions. The forgery indictments against Mr. Hegeman are similar to those found against George W. Perkins and Charles W. Fairchild of the New York Life, and against Robert A. Granniss, former vice-president of the Mutual Life. While technically there is no appeal from Justice Dowling's decision, at a conference between Justice Dowling, Morgan J. O'Brien, counsel for Mr. Hegeman, and District Attorney Jerome, it was announced that an appeal would be taken, but it was not made known how this would be accomplished.

Justice Dowling, in his reference to all the 1902 year-end transactions between the Metropolitan and Vermilye & Co., says that it is unnecessary to go into the validity of the transfer of the loans to Vermilye & Co. He says:

Even conceding these entries to be false, in my opinion the indictments for forgery cannot be sustained by any evidence submitted to the Grand Jury.

I have read carefully every line of testimony submitted to the Grand Jury, and there is nowhere a suggestion of criminal intent in anything that was done. A motive is plainly apparent, and, in fact, it appears by the testimony of several witnesses, and that was to show by the annual reports that the Metropolitan Life Insurance Company was not a loaning company, or, as one of the witnesses put it, the officers did not desire to have it known that they were loaning on collateral, as otherwise they would be overwhelmed with applications for loans on collateral.

But was the intent an unlawful one? The intent obviously was to exclude from the annual reports all references to syndicate operations and collateral loans, that it might not appear that the company was investing any money whatever therein, and to accomplish this by having a sale and resale of these securities, the sale taking place before December 21, and the resale after January 1. But wherein does this constitute an attempt to defraud?

The mere making of a false entry in corporate books is not, under the present state of our law, a crime. Such an entry might be made in various ways and for various purposes. It might be made (a) through mistakes; (b) to accomplish by appropriate fictitious entries a proper bookkeeping result; (c) to conceal the evidence of a crime already committed, or to render its detection impossible or more difficult; (d) to facilitate the commission of a future crime; (e) to defraud creditors, present or prospective, stockholders or any other person; (f) to deceive someone with no purpose of gain, profit or advantage, either contemplated or possible of accomplishment.

Justice Dowling then procceded to show that it did not appear that anyone had been deceived. There was some suggestion that the State Insurance Department might have been deceived, but there was no such proof, as the year-end transactions had been going on for years, the entries appearing each year in the company's books. The court further held:

There is no proof that the loans were not amply secured by collateral; nor that the interest was not sufficient; nor that in any way the transaction was unlawful. The loans, as a matter of fact, have been shown by the testimony to have all been paid in full, nor is there any claim that the syndicate participations were unlawful, productive of loss or even suspicious.

Reports were current this week that members of the old directorate of the Equitable Life had come forward with a proposition to return to the Society a sum much in excess of $1,000,000, and that ultimately the gain to the Society might reach $3,000,000. These offers are made to head off the suit which the Attorney-General of New York brought against the entire board of directors two years ago. The new board of directors appointed a special committee to deal with the claims which the society had against members of the old regime, which entered into negotiations with Jas. H. Hyde and reached an understanding with him. The proposition for settlement has been submitted to the Attorney-General for his approval, and will not be accepted by the directors if he objects.

James A. Donnelly, deputy Attorney-General, who has charge of the suit against the Equitable, has advised the Attorney-General as follows in regard to the proposed settlement:

I am of the opinion that any proposition of settlement short of absolute restitution of every dollar of profit realized by the defendants in their manipulation of the funds of the Equitable Life Assurance Society should be repected. What the amount and value of the money and property alleged to have been misappropriated by the defendants is cannot be ascertained without an accounting. Moreover, the complaint alleges that certain of the defendant directors realized large sums of money at present unknown to the plaintiff by reason of the losses therein referred to and no settlement without full knowledge on the part of the Attorney-General of the amount of the profits realized from such leases should be approved.

There are also certain questions relative to leases to safe deposit companies in New York, Boston and St. Louis, which Mr. Donnelly believes should be settled, as well as the sale of shares of the Missouri Safe Deposit Company stock to the Equitable.

NOTES FROM PHILADELPHIA.

W. C. Trabue, who has been connected with the Scranton Mutual Life almost since its organization, has been made district manager of the company in this city. His headquarters are in the Land Title Building.

The Economic Life of Philadelphia has added to its board of directors M. P. Blauvelt, comptroller Erie Railroad, New York; H. S. Goldey, president Goldey College, Wilmington, Del., and Hon. Garrett D. W. Vroom, judge of New Jersey Court of Errors and Appeals.

A lively legal battle is expected to be the outcome of the suit instituted by Alexander M. De Haven, receiver of the Union Surety and Guarantee Company, against forty-four stockholders of that concern, under the act of Assembly of May 11, 1874, relating to holders of stock in trust companies which do a banking business being liable for double the amount of their stock subscriptions. The law as affecting trust companies has never been determined by the court. Mr. De Haven has another suit pending in New York, seeking to

recover $50,000 alleged to be the balance of subscriptions due from persons who did not pay in the full amount when the company was reorganized in 1904. The total amount of unpaid claims against the company in this city is about $275,000.

Deputy Insurance Commissioner McCulloch recently called the attention of Attorney General Todd to the practice of the Philadelphia Life, the Abraham Lincoln Mutual and the Girard Mutual Life of Philadelphia and the Scranton Mutual Life of Scranton, of giving in connection with their policies of insurance options of two or thre shares of stock with each $1000 of insurance applied for at a price varying from $15 to $40 a share, and on Thursday last the Attorney-General gave it as his opinion that the practice was illegal, and suggested that steps should be taken to compel the observance of the law which prohibits companies from giving to insurants any valuable consideration or inducement whatever not specified in the policy contract. He holds that the offering of stock options is giving a valuable consideration. Richard H. Wallace, vice-president and superintendent of agencies of the Girard, calls attention to the fact that the policies of that company have always conformed to the law on this subject. The president of the Philadelphia makes the same statement.

THE MIDDLE STATES.

New Policy of the Mutual Benefit Life.

Ever since its establishment, over sixty years ago, the Mutual Benefit Life of Newark, N. J., has been noted for its liberality to policyholders, both as regards forms of contract and the returns under them. It was among the first to promulgate a strictly non-forfeitable policy, and now announces for issue in 1908 a contract which is virtually non-forfeitable from date of issue. In case of lapse at any time the reserve held to the credit of the policy in excess of one per cent of the amount insured is applied by the company, without action on the part of the insured, to continue the insurance for the full time such excess will pay for. After the fourteenth year the full reserve is so applied. The non-forfeiture provisions embrace a choice of the cash value or paid-up non-participating insurance, but in case either of these options are not availed of, the policy is automatically continued as term insurance. Both the paid-up and extended insurance may subsequently be surrendered for the cash value if desired. Reinstatement may be had within one month from date of failure to pay premium, or the premium can, on request, be charged against the policy, providing the entire indebtedness then outstanding is within the limit of the cash value of the contract. After one month, reinstatement will be allowed at any time, provided the policy has not been surrendered to the company, on satisfactory evidence of insurability and the payment of arrears, with six per cent interest. Loans are allowed at any time up to the limit secured by the cash value. The policy contains the entire contract, the application being without warranties. All policies will participate annually in dividends, beginning with the payment of the second annual premium. It will be observed that this contract is more liberal than those provided by the laws of the several States, and will afford the agents of this staunch company a splendid opportunity to add to their already large writings.

Home Life Insurance Company of America.

A change in the management of the Home Life Insurance Company of America is responsible for the removal of its home offices from Wilmington, Del., to 420 Walnut street, Philadelphia, and an expansion of business. Early in January the company will apply for admission to Pennsylvania, and will then establish an ordinary branch, in addition to the industrial department, which it has been operating since 1899. The company will confine its business to the non-participating plan and has prepared a full line of up-to-date industrial and ordinary policies.

A new line of intermediate policies for $250 and $500 has just been put out on the weekly payment plan, which are in full immediate benefit. They give guaranteed loan values after two years, and paid-up, cash, and extended insurance values after three years. No restrictions are imposed as to residence, occupation, travel, military or naval service, and all the advantages of ordinary policies on the annual premium plan are included.

Officers of the company are John Langham, Jr., president; F. Pierce Buckley, vice-president; W. Y. Irwin, second vice-president and superintendent of agencies; Joseph L. Durkin, secretary; Edward P. Madden, treasurer; Charles J. Sharkey, solicitor; E. Bryan Kyle, medical director, and Smith Cooper, assistant medical director. The board of directors includes a number of well-known Philadelphia and Washington business men.

PROVIDENT SAVINGS LIFE IMPAIRED.

Ordered to Cease Transacting New Business—Real Estate Overvalued—Complete Report Ready Shortly.

Under date of December 2, Otto Kelsey, Superintendent of Insurance for New York, and E. E. Rittenhouse, Commissioner of Insurance for Colorado, sent the following letter to the Provident Savings Life Assurance Society of New York:

> The examination into the affairs of the Provident Savings Life Assurance Society, now being conducted by the Departments of Insurance of the States of Colorado and New York, having disclosed an impairment of the society's assets, the extent of which is not yet determined, you are hereby directed to cease the solicitation and transaction of any new business from this date, and immediately to duly notify all agents to be governed accordingly. Please acknowledge receipt hereof.

When seen by a representative of The Spectator, Mr. Rittenhouse of Colorado said that he had telegraphed his office to the following effect:

> Commissioners of New York and Colorado have notified Provident Savings to cease writing new business for the present on account of impairment of assets. Its real estate appears to be carried at an excessive valuation. The appraisal of its assets is based upon normal conditions and not present depreciated values. It has not gone out of business, but simply stopped writing new business. Under the New York law it may yet have a chance to work out of its difficulties without suffering the financial drain of a receivership. Whether or not it can do so, will be determined by the New York Insurance Commissioner when the official report is made. The amount of the impairment will also be made known at that time.

The society has been prominently before the public of late in connection with the transfer of its capital stock to a Philadelphia syndicate by the Thomases, and the subsequent breaking off of the deal. That tangle has not been entirely straightened out yet, but has no immediate bearing on the impairment. According to the report of the company as of December 31, 1906, filed with the New York Insurance Department, it reported real estate holdings of $3,402,819, the book value being $2,900,781, and the market value over book, $502,038. As the total surplus, including the capital of $100,000, was but $339,103, it will be seen that a mere wiping out of the market value over book would result in a material impairment.

The Provident Savings Life was organized in 1875 by the late Sheppard Homans, who was for many years its president, and for twenty years wrote mainly term insurance. Since the beginning of the present year it has been writing non-participating business only. It is expected that the complete report of the examination will be ready in about two weeks.

THE WEST.

Life Insurance Companies Leaving Wisconsin.

At the present time it appears that a majority of the life insurance companies of other States now operating in Wisconsin will withdraw with the advent of the New Year. This step is made necessary by the arduous and ambiguous laws passed at the last session of the legislature, many of the provisions of which seem to be past the comprehension of life insurance managers and actuaries. Among the companies that have positively announced their withdrawal are the Germania Life of New York, the Massachusetts Mutual of Springfield, the Michigan Mutual of Detroit, the Phœnix Mutual of Hartford, while other companies still have the matter under advisement. President Peabody, of the Mutual Life of New York, announces positively that the company will withdraw from Wisconsin; President Morton of the Equitable says it looks as if the society would be forced to leave the State, while the New York Life believes that it may be able to continue. On the other hand, the Metropolitan of New York, the National Life of the United States of America, and the Pacific Mutual have announced their intention of staying.

About two months ago Commissioner Bedle of Wisconsin, in a letter to E. E. Rhodes, mathematician of the Mutual Benefit Life, gave what he termed an unofficial opinion as to the Wisconsin law, relative to expense charges for the first year's premiums. He has now made the ruling official in the following letter:

> After consultation with the Attorney-General, I have decided to permit you to consider my letter of September 9, 1907, as official in so far

as any statement or opinion of a Department can be made official in advance of the question being presented in an actual case.

Permit me to add that under section 1950, chapter 657, laws of 1907, it will be necessary for companies doing business in this State to formulate assumptions for the policies issued after January 1, 1908, which will provide expense charges sufficient to meet the expenses as they are incurred. Thus with respect to first year's expenses, the aggregate under subdivision b, section 1905 o with the exception therein specified, must be within the aggregate under subdivision a. Section 1950 p applies the same rule to total expenses. Section 1950 q restricts the expenses for commissions and advances to agents on any separate policy for any separate year, to the expense charges assumption on the policy for such year.

However, the foregoing relates solely to the limitation of expenses and has nothing to do with the valuation of policies under our laws. No change was made in the valuation laws of our State at the last session of our legislature, and policies issued after January 1, 1908, will be valid on the same basis as heretofore.

Your first year expenses will, even with substantial reductions, no doubt, as heretofore, exceed the amount provided therefor in the first year net level premium loading, and there is nothing which prevents your borrowing from any funds you may have to make up the net level premium reserve required by law.

—Wilmot C. Harbach has been elected secretary of the Des Moines Life.

—The Corn Belt Life of Danville, Ill., is considering a proposition to reinforce its risks.

—The Indiana National Life has reinsured the Hoosier State Life of Marion, Ind.

—I. Douglas Wells, comptroller of the Bankers Reserve Life of Omaha, is in Chicago organizing the territory in that section.

—Insurance Commissioner Hartegan of Minnesota reports that the Bankers Life of New York applied for a license in that State, but the application was denied.

—Ignoring numerous protests, the Illinois Insurance Department has ruled that cash surrender values must be increased upon payment of quarterly or semi-annual premiums.

—Sherwood Gillespy, manager of the Mutual Life at Seattle, announces the resignation of James S. Rear, as district manager of British Columbia, and the appointment of R. Dalby Morkill as his successor.

—The Western Reserve Life of Muncie, Ind., paid its first death loss this month. The company was organized in July of 1906, and has run sixteen months without a loss, and now has more than a million dollars of insurance in force.

—The Northwestern Mutual Life has advanced the interest rate on policy loans from five to six per cent. The company is able to make mortgage loans at more than five per cent, and until the interest rate declines policy loans have been advanced to six per cent.

—Life insurance agents of Brazil, Ind., have organized an association with the following officers: President, Bert Yocum, Prudential; vice-president, C. S. Frye, Metropolitan; secretary-treasurer, W. V. Gates, Western and Southern; trustees, W. D. Thurber, Metropolitan; John A. Finley, National, U. S. A.; W. Paul Zimmerman, Connecticut Mutual.

—The First National Life Assurance Society of America, located at Walla Walla, Wash., commenced business on December 2, with a paid-in capital of $155,000, the authorized amount being $500,000. The officers are: Morton Gregory, president; Edwin Masterson, vice-president; Milton Dunlap, secretary. The society issues a guaranteed cash dividend policy, providing for an eight per cent dividend on the second anniversary of the policy, and increasing by one per cent each year until the twentieth year. Loan, paid-up and extended insurance values are allowed annually after the second policy year.

THE SOUTH.

North State Mutual Life Insurance Company.

The above-named company, located at Kinston, N. C., commenced business on August 1, 1906, and since that time has met with a gratifying amount of success. It has a capital of $100,000 and issues policies of the most liberal form, which its agents find easy to sell. It deposits the reserves on all its contracts with the Insurance Department of North Carolina, the certificate of that office being attached to each policy. In the extension of its business a fine field is offered to ambitious agents, with whom good contracts will be made. The officers are: J. W. Grainger, president; J. A. McDaniel, H. D. Harper, Sr., and J. F. Taylor, vice-presidents; W. B. Brown, secretary; J. E. Hood, treasurer; J. J. Rogers, superintendent of agencies; James M. Parrott, medical adviser, and N. J. Rouse, counsel and general manager.

—The Northern Life of Chicago has entered Texas.

—W. A. Harris of Atlanta has been appointed general agent in Northern Georgia for the Reserve Loan Life of Indiana.

—The Tennessee Life of Nashville hopes to have its capital all paid in early in January, and will then apply for a license.

—W. F. Booker, Sr. of Louisville, who carried $140,000 life insurance and a large amount of accident insurance, was recently killed in an accident.

—The internal dissensions in the Mississippi Valley Life have been adjusted, and it is reported that the organization of the company will be continued without Herman B. Kramer and Attorney H. H. Furth.

—Although the Independent Life of Nashville, Tenn., received its license on November 23, it will not commence issuing policies until January. It has $100,000 capital paid in and a surplus of $28,000, which it is intended to increase to $50,000 prior to the writing of business. Its principal officers are: Paul Roberts, president; H. L. Sperry, secretary, and W. A. Currence, general manager.

MISCELLANEOUS LIFE NEWS.

Supplementary Volume to British Offices Life Tables (1893)—Valuation Tables for Whole-Life Assurances.

The Institute of Actuaries has published a book of valuation tables of 350 pages, which is supplementary to the set of eight volumes of mortality experience relating to the British Offices Life Tables (1893), compiled by the British Institute of Actuaries and the Faculty of Actuaries of Scotland. The new volume embraces valuation tables deduced from the Graduated Experience of Whole-life participating assurance on Male lives (O^m Table) at 2½, 2¾, 3, 3½, 4 and 4½ per cent. The computation and publication of these tables was undertaken by the Council of the Institute in response to a very general desire for tables giving the values, at several rates of interest, of functions which are practically required in connection with valuations and actuarial work generally, but are not included in the volume of O^m and $O^{m(5)}$ monetary tables published by the Joint Mortality Committee.

In this supplementary volume the functions contained include interpolated whole-life annuities and single premium for whole-life assurances and their reciprocals, in respect of average age; annual premiums for whole-life assurances, subject to a limited number of premiums, and single and annual premiums for endowment assurances, and for term assurances; also policy values in respect of whole-life assurances, with uniform premiums throughout life, and with a limited number of premiums; and policy values for endowment assurances. The whole of the above functions are tabulated at 2½, 2¾, 3, 3½ and 4 per cent, while the policy values for whole-life assurances, with uniform premiums throughout life, and for endowment assurances are also included at 4½ per cent. A pamphlet supplement accompanying the volume gives the values of temporary annuities at 2¾ per cent, according to both the O^m and the $O^{m(5)}$ tables.

The price of this volume of valuation tables is $16.00, and copies are supplied by The Spectator Company, Sole Selling Agents, 135 William street, New York.

The Spectator's Clean Reading Matter Pages.

THE SPECTATOR people may not be aware that in declining to distribute advertisements through the reading matter pages they are keeping the course originally marked out. Formerly every insurance journal mixed reading matter with advertisements, THE SPECTATOR being the first to establish clean reading matter pages.—Insurance.

Our contemporary congratulates THE SPECTATOR on a course uniformly and consistently followed for a period of forty years.

The Brown Book of Life Insurance Economics, 1907-8.

After many vexatious delays, due to troubles of printers and bookbinders, Benjamin F. Brown of Boston has finally issued the 1907-8 edition of his statistical work, giving an analysis of the annual statements of twenty-eight leading American companies for the two decades 1887-1896 and 1897-1906. This work follows the lines of previous years, in the main, with some new tables, which are of particular interest in connection with recent legislation regarding investments and limitation of new business. A very interesting chapter is devoted to a "review of the remarkable results of changed conditions in 1906," in which the author expresses the view that the worst has been seen, and that improvement may confidently be reckoned upon from this time on. During

the several years of publication of this work, the author has adhered to original lines of comparison, and while opinions may differ as to the correctness of his conclusions, it is certain that he has been able to point out many weak spots in administration, a study of which has resulted beneficially to company managers, and consequently to the policyholders. The Brown Book of Life Insurance Economics for 1907-'08 contains about 128 pages, and sells at $2 per copy, bound in limp cloth, or $2.50 for the library edition. Copies can be supplied by The Spectator Company, 135 William street, New York.

Casualty, Surety and Miscellaneous

Treasury Department Ruling.

The Treasury Department at Washington has issued the following regulations relating to the qualification of surety companies under the act of August 13, 1894:

1. The requirements of affidavits of justification executed by officers or agents of surety companies, as evidence of the authority of such officers or agents to execute bonds and contracts on behalf of their respective companies, will be discontinued, and hereafter all bonds or contracts approved or filed in and under this department shall be examined as to the authority of the officers or agents executing the same on behalf of their respective companies, by reference to the file of powers of attorney in the division of appointments, prepared upon form No. 272 of this department. All bonds or contracts under this department required to be approved or filed elsewhere than at the Treasury Department in Washington shall hereafter be executed in duplicate, and the duplicate shall be forwarded to this office (division of appointment) for examination.

2. Surety companies will be required to furnish powers of attorney as evidence of the appointment of, or changes in, the authorities of their officers or agents, upon form No. 272 of this department, and proper evidence of the revocation of such powers of attorney. In cases where the officers or agents of a company are appointed periodically, powers of attorney must be promptly furnished this department as evidence of each of such appointments.

3. The practice of filing with each bond, required to be approved by the Secretary of the Treasury, a copy of each of the following papers as evidence of a company's qualification, will hereafter be discontinued: Certified authority from the Attorney-General to do business with the United States under the act of Congress approved August 13, 1894; certificate of the election of the general officers of the company; power of attorney of officer or agent authorized to execute the bond; quarterly financial statement.

One copy only, duly certified, of each of such documents will be required for the files of this office. Certificates of officers and agents that such papers have been filed are not desired and will not be accepted as evidence of the fact as disclosed by the records of the department.

Casualty Notes.

—The organization of the Union Accident and Casualty of Philadelphia is being completed. James A. Flaherty has been elected president.

—C. H. Brackett has been appointed Indiana State manager of the Continental Casualty of Chicago.

—President Orange Merwin of the Bridgeport Land and Title Company, died last week of heart disease.

—The Insurance Commissioner of Oklahoma has begun proceedings for the appointment of a receiver for the United Benevolent Association, a health and accident concern.

—C. B. Macquivey has been appointed assistant superintendent of agents for the Philadelphia Casualty, in charge of the Eastern division, with headquarters in Philadelphia.

—A collection of press notices of the death of Ralph Butler, secretary and general manager of the Central Accident, has been issued by that company in poster form. The insurance men of the country have united in paying tribute to their departed friend and associate.

—Lem W. Bowen, vice-president of the Standard Life and Accident, has been elected to the presidency to succeed the late D. M. Ferry. D. M. Ferry, Jr., has taken Mr. Bowen's place as vice-president. Mr. Bowen is prominent in a number of business enterprises in Detroit.

—The Georgia Court of Appeals has decided that the owners of an automobile cannot be held liable for the damage which occurs from a machine when in the hands of persons old enough to be discreet and responsible in the eyes of the law when the machine is out of the possession of the owners without their knowledge or consent.

—The Massachusetts Insurance Department has notified the liability companies which have had less than ten years' experience in liability underwriting that in computing suit reserves for outstanding losses December 31, the factor $541.78 will be used, and for the average cost per injury, $27.41.

—The committee on tabulation of health insurance statistics of the International Association of Accident Underwriters, has sent to the several companies its blank, calling for a tabulation of the experience in 1904, 1905 and 1906. The blank calls for the policy number, State in which risk is located, sex, attained age, occupation, height, weight, kind of policy, duration of exposure, cause of disability, days confined, days not confined.

—The Travelers Indemnity is now preparing to actively engage in business in the South after January 1. H. F. Rascher will continue as manager of the liability department at Atlanta, and O. A. Wing, a Yale graduate in the course of liability law, who has had practical experience, in the home office. Johnson Cappock of Hartford will be in charge of investigations. H. F. Adcock will have charge of factory inspections. A boiler inspector will also be located at Atlanta.

—Speaking of present financial conditions, the Philadelphia Casualty Company states that it does not own a dollar's worth of stock in any corporation in the world. Its investments are in gold bonds, National, city, State, and some of the standard trunk line underlying securities, which are first mortgage liens upon the property. In addition to this, the funds are invested in first mortgages on real estate, in no instance exceeding fifty per cent of the land value of the property.

—Accident insurance men of Atlanta have organized an association and elected the following officers: W. Floyd Johnson, United States Casualty, president; William I. Walker, Travelers, vice-president; A. J. Johnson, Pacific Mutual, secretary and treasurer. Executive Committee—C. S. Davis, General Accident; Carl H. King, Pennsylvania Casualty; W. T. Wynn, Metropolitan Casualty, and General J. L. Stoppelbein, United States Health and Accident. The officers are ex-officio members of the executive committee.

—Hunter & Drewry of Raleigh, N. C., have recently incorporated their agency in the name of the Hunter-Drewry Company, authorized capital stock of $25,000, with John C. Drewry, president, and J. W. Hunter, secretary and treasurer. Hunter & Drewry have been State agents of the Pennsylvania Casualty Company since April 16, 1906, and general agents for the Ætna Indemnity Company since September 12, 1906. They also do a local fire business, and hereafter will deal in real estate in addition to their insurance business.

Surety Notes.

—H. E. Palmer, Son & Co. of Omaha have given up the general agency for the National Surety and now represent the Title Guaranty and Surety as Nebraska State agents.

—David Martin Wolfe, accused of the embezzlement of $12,000 from the First National Bank of Tyrone, Pa., has been apprehended at Tacoma after a chase lasting for six years.

—It is now charged that the $350,000 bond of former Treasurer Frank Crocker of the Modern Woodmen, and cashier of the First National Bank of Chariton, Iowa, is a forgery. Crocker committed suicide.

—H. E. Palmer, Son & Co. have succeeded Joseph Barker of Omaha as Nebraska State agent for the National Surety for such territory as does not report to E. P. Hovey & Co., general agents at Lincoln.

—Mayor Reyburn of Philadelphia has vetoed the bill, which, as noted in last week's issue of The Spectator, had been passed by city councils, permitting surety companies to go on bonds to an amount five times their surplus and capital stock. In his message the mayor says be sees no reason for increasing the surety qualifications of such companies, because he believes the present law, which permits them to go on bonds to an amount five times their capital stock, an equitable one and fully governs the case.

TOO LATE FOR CLASSIFICATION.

Mutual Reserve Impaired (?).

The examination of the Mutual Reserve Life by Insurance Superintendent Kelsey of New York having disclosed a heavy deficiency in assets as compared with the liabilities, the company, in accordance with the law, has been granted a number of hearings, prior to the filing of the report. On Monday next it is expected that a final decision will be arrived at. The company takes exception to the valuation of real estate reported by the appraisers for the Department, as well as the examiners' treatment of the policy liens. On Tuesday next, a meeting of policyholders will be held to consider certain matters connected with the by-laws and the condition of the company.

—The Travelers has instructed its managers and agents that hereafter applications for accident insurance for amounts in excess of $25,000 will not be accepted.

—On and after January 1, the Travelers will endorse on all life policies a copy of the application. A new application will be issued containing all questions material to the issuance of the contract.

—On December 23 a special meeting of the stockholders of the Capitol Life of Philadelphia will be called for the purpose of acting on a resolution to reduce the authorized capital stock of the company from $250,000 to $100,000.

—The Kentucky Court of Appeals has decided that Insurance Commissioner Prewitt had no right to revoke the license of the Mutual Life of New York in that State. During the contest over the administration and International Policyholders' Committee tickets, Biscoe Hindman, general agent of the company at Louisville, was dismissed, and Mr. Prewitt, after giving the company a hearing, revoked its license.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concernig them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, $7; book only, $5; monthly supplement only, $2 per annum.

American Fire Insurance Company, Philadelphia, Pa.

On December 26, 1907, a meeting of the stockholders of this company will be held to vote upon the proposed reduction of the nominal capital from $500,000 to $200,000. The capital stock now in the hands of stockholders aggregates $179,200, and it is proposed to issue 208 additional shares at par to stockholders, to bring the outstanding stock up to $200,000. The success of this plan is assured by subscriptions already received. The new stock is to be paid for on December 27.

The directors of the company, on October 21, passed the following resolutions:

"Resolved, That a general meeting of the stockholders be called to convene at the office of this company at 11 o'clock A. M., on the 26th day of December, 1907, to take action on approval or disapproval of a proposed issue to the holders of the company's policies involved in the San Francisco and Santa Rosa disaster of April 18-20, 1906, of a voluntary non-interest bearing scrip, redeemable solely from profits to be hereafter earned, in such proportions and at such times as may be determined by the board of directors.

"Resolved, That the stockholders be requested to give their proxies in favor of the foregoing resolutions."

Excelsior Fire Insurance Company, New York.

Superintendent Otto Kelsey has advised Attorney-General Jackson of New York as to the circumstances connected with the organization of the Excelsior Fire Insurance Company of New York. Mr. Jackson expected to apply for a receiver for the company on December 4. He is quoted in part, as follows:

The information concerning this company, laid before the Attorney-General by Otto Kelsey, Superintendent of the State Insurance Department, reveals an interesting operation in high finance. Like the International Trust Company, the Gow-Maxwell-Jenkins-Doolittle fire insurance company was organized to a considerable extent on wind and fictitious credits. For instance, $137,500 of its alleged paid-in capital and surplus was represented by a fictitious credit on the books of the Borough Bank, which was controlled by Gow and Maxwell. * * *

The provisional officers of the company made a sworn report to the Insurance Department that the capital stock had been paid in, and that no part or portion thereof had been loaned or advanced to the company by any person, partnership, or corporation for the purpose of being used as such capital on the organization of the company, and swore that the stock had been paid for in cash.

This report was accompanied by a certificate signed by A. D. Campbell, cashier of the Borough Bank, that on August 13 there was deposited to the credit of the Excelsior Fire Insurance Company $150,000, and also by a certificate signed by George W. Adams, cashier of the Oriental Bank, that on the same date there was deposited to the credit of the company in that bank the sum of $150,000.

In August, 1907, before any certificate of authority to transact business had been granted by the Insurance Department, there was delivered to the Borough Bank a promissory note, dated July 30, 1907, for $25,000, payable on demand, made by Eugene Van Schaick, one of the incorporators of the insurance company and as pretended collateral security there was also delivered a certificate purporting to be for 2500 shares of the capital stock of the insurance company.

At the same time there was a promissory note delivered to the Borough Bank for $25,000, payable on demand, and made by Van Schaick, and there was also put up as collateral security for this note 2500 shares of the capital stock of the insurance company.

On August 2, 1907, there was delivered to the Borough Bank a note for $13,250, made by John S. Jenkins, and as collateral security there was delivered a certificate purporting to be for 900 shares of the capital stock of the insurance company. Another note, dated July 29, 1907, made by P. B. Armstrong, an incorporator of the Excelsior Fire Insurance Company, for $37,500, was delivered to the Borough Bank, and the collateral security in this instance also was for 2500 shares of the capital stock of the insurance company. On the same date another note for $36,750, made by Armstrong, was delivered to the Borough Bank and a certificate purporting to be for 2450 shares of insurance company was put up as collateral security. Nothing has ever been paid in on any of the notes.

Apparently the only real money that went into capital stock and surplus of the company, as represented by the transactions in the Borough Bank, was a certified check given by Van Schaick on the National Bank of North America for $12,500. This check, together with the notes referred to, made up what purported to be a credit in the Borough Bank of $150,000.

The fact is, however, that the Borough Bank never paid to the makers of these notes any money whatever, and they were delivered to the Borough Bank under a contract or agreement made between Maxwell, Gow, and other incorporators of the Excelsior Fire Insurance Company, and Maxwell and other officers and directors of the Borough Bank, to the effect that a credit should be made to appear on the books of the Borough Bank to the insurance company in the sum of $150,000, which should be entirely fictitious as to $137,500 thereof, and further that the insurance company should not be entitled to and should not draw against that credit at any time to such an amount as would reduce the sum below $137,500, until such time as the insurance company, out of its income and profits, or the makers of the notes, should pay the same.

In other words, the incorporators of the insurance company, after having made sworn statements to the Superintendent of Insurance that the capital stock and the surplus had been entirely paid in, were proposing to make the capital stock and surplus good out of the income and profits of the company.

In pursuance of this agreement, Maxwell and other officers of the Borough Bank caused to appear on the books of the bank a credit to the insurance company of $150,000. The other $150,000 of the capital stock and surplus of the company was represented by a credit of that amount to the insurance company on the books of the Oriental Bank. According to the assistant cashier of the Oriental Bank, there was delivered to that bank, August 6, 1907, three checks, to the amounts, respectively, of $750, $12,500 and $136,750.

The first two checks were paid; the check for $136,750 was a cashier's check on the Oriental Bank, and represented the proceeds of loans by that bank to William Gow, Howard Maxwell, Nelson B. Burr and John S. Jenkins.

The directors of the bank repudiated the alleged loan to the Excelsior Fire and directed Maxwell and Gow to clear up the apparent liability of the bank.

The list of original stockholders, with the amounts purporting to have been paid by each, is as follows:

Eugene Van Schaick, $73,500; Wilson B. Brice, $750; E. Howard Foster, $750; P. B. Armstrong, $72,750; J. C. Hipkins, $750; C. L. Armstrong, $750; Stanley E. Gunnison, $750; William Gow, $48,990; Howard Maxwell, $49,005; Frank W. Doolittle, $750; Geo. G. Ball, $750; Edward H. Pindar, $750; John S. Jenkins, $49,005; Artemus Ward, Jr., $750; total, $300,000.

Inland Fire Insurance Company, Spokane, Wash.

This company has not yet completed reorganization upon a stock basis, but is expected to do so by January 1, 1908. We are advised that considerable stock has been paid for, and an examination by the Wisconsin Insurance Department will be requested in December, 1907.

International Fire and Marine Insurance Company, Philadelphia, Pa.

A charter for this company will be applied for about January 1. The original capital stock will be $500,000, but as soon as the charter is obtained the authorized capital stock will be increased to $5,000,000. Edward Norris is organization president.

National Mutual Insurance Company, Omaha, Neb.

A petition for the appointment of a receiver for the above-named company was recently filed in the District Court at Omaha, following an examination of the company, which showed assets of $116,799 and liabilities amounting to $253,843. It is stated that the officers of the National Mutual have filed an application admitting bankruptcy.

North Coast Fire Insurance Company, Seattle, Wash.

As of September 18, 1907, this company's financial statement showed assets amounting to $273,049, made up as follows: Mortgage loans, $25,000; interest accrued, $1079; bills receivable, $79,636; interest accrued, $244; cash in bank, $27,383; interest accrued, $1126; agents' balances $7976; due for reinsurance, $177; furniture, $326; treasury stock, $130,100. The capital stock was given as $250,000, $119,900 being reported as paid in. The liabilities comprised unearned premiums (fifty per cent basis), $6873, and other items $75, leaving a net surplus of $16,101. The premiums had amounted to $13,746, and the total income to $16,196; the losses paid to $2850, and expenses (including organization, selling stock, licenses and establishing agencies) to $8399. Risks in force aggregated $840,663, of which it was stated $472,055 would expire before December 15, 1907.

The officers of this company are: President, James W. Burney; secretary, J. C. Kuns; directors, C. H. Clodius, president, and H. E. Christensen, cashier, German-American State Bank, Ritzville, Wash.; Alpheus Byers, attorney, Seattle, W. W. Zent, judge Superior Court, and J. W. McBurney.

Pawnee Fire Insurance Company, Oklahoma City.

This company was recently chartered in Indian Territory under the territorial laws, with offices at Oklahoma City and McAlester. It is capitalized at $200,000, of which $200 is stated to have been paid in. The incorporators are: E. J. Archibald, L. E. Ellis, H. F. George, James H. Smith, G. A. Holland, John E. Bullars. It is to do all kinds of fire, tornado, accident and casualty insurance.

Union Insurance Company, Philadelphia, Pa.

Commissioner Rittenhouse of Colorado has advised President Muir of the Union Insurance Company that he can find no reason in Mr. Muir's communication for rescinding the revocation of the Union's Colorado license. Mr. Rittenhouse persists in construing the Union's contingent liability to the Underwriters Securities Corporation (whereby the Union is to pay a certain sum out of its future surplus earnings) as being a positive liability not only against its surplus, but against its capital as well, thereby figuring out an impairment of the capital. The whole difficulty hinges upon the question as to whether or not the contract relating to future earnings is an actual, present liability against all of the company's assets, instead of being limited at any given time by the amount of the company's surplus. This latter view was taken by the examiner for the Colorado Department, who reported the capital as being unimpaired at the time of the recent examination; and if the contract was simply, as has been stated, an agreement to reimburse the Securities Corporation out of future earnings, it is difficult to comprehend how it can be interpreted as a positive, present liability against the company's capital.

THE SPECTATOR:

THE SPECTATOR, *established in 1868, is a weekly journal devoted to promoting the best interests of trustworthy insurance of all kinds. The subscription price for the United States, Canada and Mexico is Four Dollars per annum, postage prepaid. To all foreign countries in the Postal Union, Five Dollars per annum.*

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THE SPECTATOR people may not be aware that in declining to distribute advertisements through the reading matter pages they are keeping the course originally marked out. Formerly every insurance journal mixed reading matter with advertisements, THE SPECTATOR being the first to establish clean reading matter pages.—Insurance.

Our contemporary congratulates THE SPECTATOR on a course uniformly and consistently followed for a period of forty years.

THE STARTLING DEPRECIATION IN MARGINAL VALUES OF INSURANCE INVESTMENTS.

OWING to the unprecedented depreciation of investment securities during the last eleven months, the time-honored question as to the proper method of computing the "market values" of insurance companies' investments in the preparation of the annual statements of their condition on December 31 has become the foremost topic of insurance discussion in this closing month of 1907. Many of the most experienced, and most active, Insurance Commissioners attended the special meeting of the executive committee of the National Convention of Insurance Commissioners in this city on the 21st ultimo, convened for the purpose of discussing the above-named question, and, as was announced in this journal's issue of the 28th ultimo, the consensus of opinion seemed to be in favor of permitting the companies to use the market quotations of December 31 last, instead of those of December 31 next, in making up their annual statements for the current year.

There is little room for doubting that this method of valuing their securities would be far more favorable to the companies than would be the forced employment of the actual market quotations at the end of 1907, but, as is conclusively demonstrated in the elaborate tabulations presented on another page of this issue, the present wholesale depreciation of bonds and stocks began in 1906, and in the case of the sixty-four companies whose experiences are summarized in the table in question, there was a shrinkage of $35,267,183 in the margin of market over book values in 1906, despite the increase of more than $95,000,000 in the book values of those companies' investments during the year. It is therefore obvious that the valuations employed in making up the annual statements for 1906 were far from being abnormally large, and when the comparison is extended to the market valuations employed in the annual statements for 1900, the tremendous shrinkages of 1906 are strikingly manifest.

The life companies' total assets and investments in stocks and bonds so materially exceeding in magnitude those of the fire companies—the total bond and stock holdings at the end of 1906 of *all* life companies reporting to the New York Insurance Department amounted to $1,441,798,819 as compared with $276,688,700 in the case of *all* fire and fire-marine companies so reporting—the bulk of the current discussion of methods of investment valuations has naturally been devoted to the life insurance end of the subject. But the interests of both the fire and casualty branches of the insurance business are also involved in the question, the fire and casualty companies also have to face rigid reserve requirements which make no allowance for abnormally low market valuations on December 31, and, barring the fact that in their case there are no prospective dividends to policyholders to be affected by an extraordinary shrinkage in investment values, a marked decline in surplus margins means quite as much to them as to the life companies. For these reasons we have thought it worth while to include in our tabulations the experiences of the leading fire and casualty companies, and thus present a fair bird's-eye view of investment conditions in the insurance business at large.

In the main, the figures in the table which we have prepared speak for themselves, but a word of explanation as to certain features, and showings, of the table may not come amiss. With the exception of the 1900 returns for the fire companies, all of the figures employed in the tabulation are taken from the reports of the New York Insurance Department, but in its fire report for that year the New York Department gave only the "par values" and "market values" for the companies' investments, omitting the "book values," and we have therefore taken the 1900 figures for the fire companies from the Connecticut Insurance Department's report. The showings of "margin over or under book values" are restricted to credits or debits actually entered in the companies' statements, and practically cover the difference in every case between book and market values. In a few cases, as will be noted, no entry is made under that heading, and this generally means that the company in question has refrained from crediting itself with the excess of market over book values—as, for instance, in the case of both the Equitable and New York in their reports for 1905. In that year there was a margin of $1,049,173 in the case of the Equitable, and one of $5,448,473 in the case of the New York, for which no credit was taken in these companies' statements. Consequently this total excess of $6,497,646 of market values over book values does not appear in our tabular summary of the life companies' margins for 1905. Had it so appeared, the ratio of margins to book values in the case of the life companies would have been 3.56 per cent instead of 3.06 per cent, and had this amount figured in the grand totals for all companies in 1905 the ratio of margin to book values would have been 3.90 per cent instead of 3.47 per cent. With these two exceptions, the marginal showings in our table represent the actual differences between book and market values, in so far as they were shown in the companies' statements.

The most noteworthy point of the companies' showing for 1906 is the sharp decline in the ratios of margins for that year as compared with those for 1905, and a glance at the

A DETAILED SHOWING OF THE STARTLING DEPRECIATION IN THE MARGINAL VALUES OF THE LEADING LIFE, FIRE AND CASUALTY COMPANIES' INVESTMENTS IN 1905 AND 1906, AS COMPARED WITH THE EXCESS OF MARKET VALUES OVER BOOK VALUES IN 1900.

COMPANIES.	December 31, 1906.		December 31, 1905.		December 31, 1900.	
	Market Values, Bonds and Stocks Owned.	Margin Over or Under Book Values.	Market Values Bonds and Stocks Owned.	Margin Over or Under Book Values.	Market Values Bonds and Stocks Owned.	Margin Over or Under Book Values.
Life Insurance Companies.						
Ætna	$30,642,363	$2,516,751	$29,577,692	$2,802,691	$19,487,134	$1,854,518
Berkshire	6,660,468	119,544	6,286,503	293,679	2,561,404	155,002
Connecticut Mutual	26,667,510	461,872	27,492,923	1,092,722	23,523,810	1,319,798
Equitable	240,517,683	—7,303,913	243,706,855	(1)......	160,792,803	13,272,581
Germania	8,577,112	—170,538	9,478,825	178,989	7,543,601	62,064
Home	8,907,788	—114,217	8,597,019	189,352	5,141,105	304,634
John Hancock	20,782,375	—20,432	17,443,683	317,528	6,922,673	296,239
Manhattan	3,122,366	—49,236	3,269,342	63,260	3,574,591	269,891
Massachusetts Mutual	18,510,795	501,494	17,602,525	904,778	10,408,290	898,853
Metropolitan	86,508,753	—2,765,745	79,629,477	323,809	26,071,497	820,639
Mutual (N. Y.)	282,311,646	18,684,011	265,301,867	25,315,165	183,368,625	20,793,129
Mutual Benefit	28,875,193	731,522	27,747,964	1,333,412	16,247,436	1,366,408
National (Vt.)	14,739,346	123,032	13,388,241	239,495	7,454,601	428,900
New England	23,362,453	1,148,870	21,951,328	1,690,922	15,408,777	1,673,633
New York	340,691,957	—4,364,627	317,996,895	(2)......	170,354,973	10,177,150
Northwestern	77,083,824	—216,681	80,396,086	1,525,025	47,428,727	1,731,245
Penn Mutual	33,353,658	8,476	32,074,552	568,483	14,122,745	541,880
Phoenix Mutual	5,530,879	120,195	5,166,867	202,923	3,850,945	157,706
Provident L. and T.	34,772,673	—310,226	34,472,647	149,435	19,062,046	1,389,291
Prudential	68,885,597	—696,009	55,757,125	1,047,188	16,824,809	665,577
State Mutual	18,837,957	697,315	17,758,364	962,298	10,682,637	886,415
Travelers	22,569,734	236,907	22,275,723	576,823	11,971,223	629,542
Union Central	10,100	100	10,300	300	177,800	13,888
Union Mutual	8,244,775	227,002	7,924,259	402,183	4,792,943	203,660
Washington	5,237,174	—201,528	4,654,608	—53,005	680,317	—2,696
Totals	$1,415,404,179	$9,363,939	$1,349,961,670	$40,127,455	$788,455,512	$59,909,947
Fire Insurance Companies.						
Ætna	$13,684,417	$2,174,854	$14,289,799	$2,400,400	$11,740,821	$2,613,147
American (N. J.)	3,351,775	—58,731	3,151,030	—15,304	1,428,020	—9,396
American Central	3,696,445	535,469	3,507,636	531,808	1,260,160	363,006
Boston	2,753,907	252,451	2,262,902	287,970	1,689,072	161,022
Commercial Union (England)	5,153,481	—35,852	3,157,976	121,471	1,882,394	116,653
Connecticut	3,315,108	64,688	4,041,615	131,517	2,199,062	110,065
Continental	13,605,255	138,187	13,099,465	27,813	8,085,880	153,732
Fire Association	4,023,776	126,831	4,109,779	237,957	3,072,426	280,840
Firemans Fund (Company)	719,390	—883,432	4,166,714	286,652	2,262,825	50,704
Firemens Fund (Corporation)	2,083,891	1,066	(3)......	(3)......	(3)......	(3)......
German-American	11,128,049	85,356	12,332,477	205,786	7,701,467	609,048
Germania	3,516,230	—20,001	5,031,581	101,587	3,480,614	207,391
Hanover	2,494,763	129,740	2,919,397	273,425	2,251,579	386,955
Hartford	13,055,344	1,077,582	12,896,443	1,236,705	7,178,654	958,713
Home (N. Y.)	16,965,120	1,128,907	17,411,705	2,027,253	10,338,380	1,660,755
Insurance Company of North America	7,665,395	244,668	9,291,020	421,901	4,932,217	337,627
Liverpool and London and Globe (England)	4,449,008	—49,189	4,675,126	56,543	2,745,170	386,649
National (Conn.)	4,880,797	544,804	5,428,774	303,201	3,175,981	234,013
North British and Mercantile (England)	5,624,353	—231,489	5,690,624	—37,008	3,686,739	121,304
Pennsylvania	3,239,531	4,745	5,091,050	168,571	3,680,075	122,955
Phenix	6,790,604	530,569	6,607,798	95,628	4,058,325	226,877
Phoenix (Conn.)	6,109,043	1,122,459	6,531,058	1,349,516	4,203,038	1,179,448
Queen	5,662,205	56,828	6,066,855	(4)......	3,424,317	(4)......
Royal	5,123,007	67,221	4,194,800	—34,354	3,798,413	(4)......
Scottish Union and National	3,011,142	—121,730	3,976,357	1,761	2,015,370	41,154
Springfield Fire and Marine	4,350,100	484,724	4,948,165	664,685	3,723,694	832,015
Totals	$156,452,136	$7,370,725	$164,880,146	$10,845,484	$103,014,693	$11,144,677
Casualty and Surety Companies.						
American Surety	$2,590,357	$10,157	$2,372,251	$120,940	$1,156,438	$76,990
Employers Liability	3,399,085	—95,026	2,570,277	—34,864	1,281,854	28,991
Fidelity and Casualty	5,904,297	428,948	5,697,449	686,051	2,880,483	416,704
Fidelity and Deposit	4,924,750	—109,826	4,922,675	(4)......	3,364,357	(4) ......
Hartford Steam Boiler	2,577,226	144,123	2,357,069	152,059	1,821,365	85,301
London Guarantee and Accident	1,678,932	—77,382	1,525,873	—47,299	1,011,703	40,125
Maryland Casualty	2,626,320	—96,620	2,394,121	—51,399	1,244,522	52,192
National Surety	1,453,669	—24,459	1,158,556	—17,088	1,256,050	14,147
Ocean Accident and Guarantee	2,665,996	—125,770	2,445,976	—68,043	1,156,833	20,562
Preferred Accident	1,321,855	—13,343	1,018,690	—1,592	637,145	20,805
Standard Life and Accident	1,645,763	37,487	1,322,300	32,077	522,031	7,603
Travelers	9,726,338	257,822	9,236,676	490,443	5,465,182	555,802
United States Casualty	1,619,966	—128,646	1,672,513	—57,476	1,000,341	(4)......
U. S. Fidelity and Guaranty	1,994,180	—81,845	2,047,529	—49,281	876,542	25,624
Totals	$44,128,734	$125,620	$40,741,955	$1,154,528	$23,674,846	$1,344,846

(1) Actual margin over book values, but not credited to assets, $1,049,173; (2) Do., $5,448,473; (3) Firemens Fund Insurance Corporation not organized until 1906; (4) Book and market values fixed at same figures.

RECAPITULATION.

Bonds and Stocks Owned December 31, 1906.

Companies.	Market Values.	Book Values.	Margin of Market Values Over Book Values. Amount.	Ratio.
25 Life companies......	$1,415,404,179	$1,406,040,240	$9,363,939	.67%
25 Fire companies......	156,452,136	149,081,411	7,370,725	4.94%
14 Casualty companies..	44,128,734	44,003,114	125,620	.28%
Grand totals for 64 companies of all classes...	$1,615,985,049	$1,599,124,765	$16,860,284	1.05%

Bonds and Stocks Owned December 31, 1905.

Companies.	Market Values.	Book Values.	Amount.	Ratio.
25 Life companies.......	$1,349,961,670	$1,309,834,215	$40,127,455	3.06%
25 Fire companies.......	164,880,146	154,034,662	10,845,484	7.04%
14 Casualty companies..	40,741,955	39,587,427	1,154,528	2.92%
Grand totals for 64 companies of all classes...	$1,555,583,771	$1,503,456,304	$52,127,467	3.47%

Bonds and Stocks Owned December 31, 1900.

Companies.	Market Values.	Book Values.	Amount.	Ratio.
25 Life companies......	$788,455,512	$728,545,565	$59,909,947	8.22%
25 Fire companies......	103,014,693	91,870,016	11,144,677	12.13%
14 Casualty companies .	23,674,846	22,330,000	1,344,846	6.02%
Grand totals for 64 companies of all classes...	$915,145,051	$842,745,581	$72,399,470	8.59%

figures makes it apparent that but for the large margin maintained by a single company, the Mutual Life, not only the life companies, but the companies in all three branches of the business whose figures are presented, would have shown an actual depreciation of book values below market values. That is to say, were the Mutual Life's margin of $18,684,011 over book values omitted, the twenty-four other leading life companies would have shown a depreciation of $9,320,072 in book values as compared with market values, and the sixty-three other life, fire and casualty companies combined would have had a minus margin of $1,823,727, instead of a gross margin of $16,860,284 in market values as compared with book values.

Of secondary importance, but notable, nevertheless, is the decided difference between the marginal ratios of the three branches of the business, that of the life companies in 1906 being only 67/100 of 1 per cent, and that of the casualty companies only 28/100 of 1 per cent, as compared with a ratio of 4.94 in the case of the fire companies. Similar, but much less striking, differences are to be noted in the ratios for 1905 and 1900, in each case the fire companies' ratio of margins being materially larger than those of both the life and casualty branches of the business. Of course, the larger the number and aggregate of investments, the greater are the chances of material depreciations in some of the bonds or stocks carried, but the fact that with much smaller holdings the casualty companies show up much smaller marginal ratios would seem conclusively to indicate that the differences in ratios are not thus to be explained, and to leave open the question as to the proper explanation for the radical differences shown in all three years with which the table deals.

Viewed from any and every point, the depreciation of 1906 was a remarkable one, the marginal ratio for all companies mentioned in the table being only 1.05 per cent, as compared with a ratio of 3.47 per cent in 1905, and one of 8.59 per cent in 1900. Had the ratio of 1905 been maintained in 1906, all the companies figuring in the table would have shown up a margin of $55,489,623, instead of one of only $16,860,284, and had the ratio of 1900 held good in 1906, the margin for all the companies would have been $137,364,802. That is to say, in 1906 there was a shrinkage of $38,629,339 as compared with what might have been expected on the 1905 basis, and the shrinkage in 1906 as contrasted with the margin which would have been shown on the basis of the 1900 ratio reached the enormous figure of $120,504,518. These figures, coupled with the generally-admitted depreciation of many bonds and stocks in 1907 far below their actual earning values, would certainly seem to call for a most lenient valuation policy, this year, on the part of the supervising insurance authorities.

Last week the Provident Savings Life Assurance Society was notified to cease writing new business. This order was issued by Superintendent Kelsey of New York and Commissioner Rittenhouse of Colorado, who have recently caused an examination of the company to be made. It is understood, although not officially announced, that the investigation showed an impairment of the capital of the company exceeding $100,000. This shortage is said to be due to an undervaluation of its securities and an overvaluation of its real estate. It has been rumored for two or three years that the real estate account had been largely "padded" for statement purposes, and this was bound to be exposed by a careful appraisement. But the chief trouble with the company lies in the fact that it has been treated as a stock-jobbing proposition rather than as a legitimate life insurance company. Every few years there has been a change in the stock holdings, which have placed men in charge who obtained control for speculative purposes, who were not familiar with life insurance requirements or methods, but sought personal gain rather than the interests of the policyholders. The trained men who were at the head of the various departments of the company, labored strenuously to increase and maintain the legitimate business, but they had to contend against the speculative stock jobbers at the head, in addition to the regular competition in the field. There is a clause in the charter of the Provident Savings that makes the control of the stock peculiarly attractive to speculators. This clause relates to the division of the surplus, and it provides that:

> Any surplus arising from the payments of persons insured upon the non-participating or stock plan, and that derived from other sources, shall be credited pro rata to the stockholders, but shall be retained by the corporation as a guaranty fund, until the same shall amount to the sum of $250,000, after which any excess may be divided among the stockholders annually.

This is in addition to the seven per cent annual dividend from the general business of the company. It has been assumed by some of the speculators who have been in control that it would be an easy matter to secure the $250,000 guaranty surplus, and thereafter to enjoy large profits from the non-participating surplus and that derived "from other sources." What is meant by "other sources" is problematical, and might be variously construed according to the character of the management. No other stock life insurance company that we know of has such an ambiguous clause in its charter,

but dividends to stockholders are limited to fixed and reasonable amounts. The Provident Savings has earned an excellent reputation, and has secured a large volume of business that, under proper management, can be largely increased and the policyholders abundantly safeguarded. It is greatly to be hoped that a speedy solution of its present difficulties may be found, and the company restored to its legitimate field of beneficence and usefulness.

NEARLY every line of commercial industry and financial business long ago learned the value of co-operation, and on Friday last the executive heads of the leading life insurance companies of the country joined the movement. For some thirty-five years the several life insurance companies have gone their own way without any attempt at concerted action on any particular point, with the result that legislatures have had their own way in legislating upon the important subject of life insurance, except where they had been influenced through such underground channels as were disclosed by the several investigations of the past two years. The condition of the life insurance business to-day, with its burdensome taxation and harassing conditions, is due to the utter lack of co-operation on the part of the companies in even the most general details, and it is to be hoped that hereafter the companies will present a united front when hostile legislation is threatened. New men and new methods have supplanted the old order of things, individual jealousies have been eliminated, and the race for volume of business no longer stands in the way of effective co-operation. The present unjust and onerous laws cannot be brushed aside in a few months, but such meetings as that of the Association of Life Insurance Presidents, held last week, will do much to educate the public and teach legislators that life insurance is a business that may well be trusted to work out its own salvation. The executive committee has it within its power to make the association a most effective organization for the good of the millions of policyholders and beneficiaries, and we look to see it rise to its opportunities.

WITH but one fire causing a loss in excess of $375,000, the month of November, 1907, developed fire losses aggregating $19,122,200 in the United States and Canada, according to the records of The Journal of Commerce. This is about $3,000,000 in excess of the November losses in either 1906 or 1905, and brings the total for the first eleven months of the year up to practically $200,000,000, or $40,000,000 more than in 1905, when losses seemed about normal. These figures indicate an increase of twenty-five per cent in the yearly loss within two years, and should occasion serious thought, not only on the part of fire underwriters, but of all propertyowners; and the latter should use every available means to prevent the occurrence of fire on their premises, whether insured or not. The mere fact that a man carries fire insurance is no warrant for carelessness, which may lead to the destruction of his neighbors' property as well as his own.

—During the first seventy-five days of the existence of the Scranton Mutual Life its agents have written $3,194,750 of insurance. Emory E. Herr wrote $148,000 in November and $71,000 in October.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

It is extremely unlikely that there will be an appeal from the decision of Justice Dowling dismissing the forgery indictments against John R. Hegeman, president of the Metropolitan Life. District Attorney Jerome is quoted as being of the opinion that a way could be found for an appeal, but negotiations with Mr. Hegeman's counsel have failed to accomplish the desired result.

Last week the annual election of directors of the Equitable Life took place. The total board consists of twenty-eight policyholders' directors and twenty-four stockholders' directors. At this meeting the following persons were elected to serve: Policyholders' directors, Thomas Randolph, St. Louis; James McMann, Brooklyn; Ludwig Nissen, New York; John R. Kerman, Utica; E. W. Bloomingdale, New York; William Whitman, Boston, and William E. Paine, New York. Stockholders' directors. George T. Wilson, third vice-president of the society; W. A. Day, first vice-president; Alvin W. Krech, New York; Valentine P. Snyder, New York; Bradish Johnson, D. H. Moffat, Col. John J. McCook, De Witt Cuyler, E. De V. Morrell, J. F. Navarro, Paul Morton and Levi P. Morton.

C. A. R. Gottsman has resigned the New York management of the Central Accident.

The Bankers Life of New York has secured the services of George W. Mason to act as superintendent of agencies. Mr. Mason acted in the same capacity for the American Temperance Life for the past twelve years. He is now engaged in building up a large corps of agents, and he states that so far his success has exceeded his expectations.

On Monday last Supreme Court Justice Crane of Brooklyn heard argument on a motion demurring to the complaint obtained by Franklin B. Lord, a stockholder, to prevent the mutualization of the Equitable Life. The action was begun by Mr. Lord in April, 1905, after the company had tried to have passed an amended charter to mutualize the company. William B. Hornblower, representing the company, argued for the demurrer yesterday, and contended that the complaint did not state a cause of action against the company and that the complaint should be dismissed. Henry De Forest Baldwin represented Mr. Lord. Justice Crane took the briefs and after asking many questions regarding the laws and the acts of the company reserved decision.

Last Monday the Supreme Court of the United States granted the application of the Equitable Life of New York for a writ of certiorari to review the judgment of the Federal Court of Appeals of New York in ordering that society to answer allegation of fraud and mismanagement brought by J. Wilcox Brown on behalf of the stockholders.

Ludwig Nissen of 182 Broadway, New York, has been elected a director of the Equitable Life, succeeding Joseph Bryan of Richmond, Va., resigned. Mr. Nissen is a diamond merchant and a director in several financial and business institutions.

An injunction prevented the meeting of the policyholders of the Mutual Reserve Life which had been called for Tuesday of this week. Judge Hough of the United States Circuit Court granted the injunction, and issued an order for the company and its officers to show cause on Friday why it should not be made permanent. William Hepburn Russell, counsel for the committee of policyholders recently organized at New Orleans, made the motion, alleging that the proposed amendments to levy increased assessments and charge liens against the policies would be a fraud on the members. The Insurance Department gave a hearing to the company on Monday in connection with the report of its examination and continued it until Wednesday.

A special panel of 125 jurors has been ordered for the trial of President John R. Hegeman of the Metropolitan Life on perjury charges, which has been set down for next Monday.

Assistant District Attorney Kresel last Monday examined Arthur Bauer, treasurer of the Italian-American Trust Company; Ralph K. Hubbard, the comptroller of the Provident Savings, and William T. Gilbert, general counsel for the company, in connection with the investigation which is being made of the company. No information was given Provident Savings with the Italian-American Trust Company.

THE MIDDLE STATES.

The Armstrong Law and the Legislature.

[To the Editor of The Spectator.]

I have read many editorials and other articles on that infernal New York insurance law, perpetrated upon the agents of the companies by the famous Armstrong committee, but none that I have read so impressed me as did your editorial in the November 28th edition of The Spectator. It states facts so plainly and unbiased that I wish to make a suggestion to you that might in some way help out the situation, and the situation is grave, I assure you.

Would it not be a good idea for you to mail a copy of this edition of your paper to a number of the members of the New York Legislature and mark that article on the first page of your paper? It should do good, if they have any reason left them. If such a step was taken by all of the life insurance journals of the country, I feel sure that much good would result from it. If these splendid articles are written and never reach the people who make the laws or amend them they cannot possibly do the good for which they are intended. I offer this as a suggestion to you and for your consideration. Very truly yours,

Columbus, Ga., November 30, 1907. Wm. L. Lott.

The Economic Life Insurance Company.

The Economic Life, having its headquarters in Philadelphia, is progressing very satisfactorily, both from the standpoint of an increasing force of desirable agents and volume of new business written. During November the company wrote nearly $500,000 of paid-for business, of which $187,000 came in during the last week. Such progress is very gratifying in view of the financial conditions. The Economic makes a specialty of pure protective insurance at the lowest safe non-participating rate.

—The loan values under the new contracts of the Provident Life and Trust will be altered to comply with the new laws enacted in several States.

—John A. H. Gilbert has been appointed superintendent of agencies in the Eastern department of the Pacific Mutual Life and the Pacific Mutual Indemnity.

—The Pittsburgh Life and Trust will issue new contracts on January 1, providing many liberal features, including loans, cash values, paid-up and extended insurance, and automatic renewal by charging any unpaid premium as a loan. All policies share in the apportionment of surplus annually.

—R. T. Furman has been appointed general manager of the Reliance Life of Pittsburg. Mr. Furman is well known in New York city as one of the best producers of the New York Life, and at the time of his new appointment was district manager of the New York Life's central branch in New York city. Mr. Furman is a great business getter, and he will be able to render the Pittsburg company a valuable service.

—The Buffalo Association of Life Underwriters has invited the Rochester, Syracuse, Hudson Valley and New York associations to participate in a conference to be held at an early date to formulate plans for concerted action toward having several changes made in the New York laws which were enacted following the Armstrong investigation. Section 97, governing commissions and renewals and placing of the medical examination fee in the expense account will receive special attention.

—In the policies being issued by the Policyholders Mutual Life of Philadelphia there appears the following clause: "Stock Option—The insured under this policy shall have the right to purchase, at not less than par value thereof, shares of the capital stock of a company to be organized under the name of the Policyholders Life Insurance Company, which company is to take over this policy and assume all the obligations thereunder. This right to purchase said stock shall be subject to the company's rules and regulations governing the same." The Insurance Department of Pennsylvania has notified the company that the grant of the privilege to purchase stock as covered in the contract is a sufficient compliance with the law.

THE NEW ENGLAND FIELD.

Travelers' Convention Plans.

For a number of years the Travelers Insurance Company of Hartford has been holding annual conventions for the benefit of its agents and representatives. The conventions in 1903 and 1904 were held in Hartford; 1905 and 1906 at Hotel Frontenac, Thousand Islands, St. Lawrence river; 1907 at the new home office building in Hartford. Delegates to these conventions are selected from among those field representatives whose production of new premiums during the contest period does not fall below specified amounts. The national annual conventions have proven of inestimable value to both the field men and the officers of the company, business and pleasure having been combined to make the meetings interesting, instructive and enjoyable. Of the 250 agents and managers who recently journeyed to Hartford, many were veterans who had attended previous conventions; some who had attended all; but there were many new faces also, indicative of the ever-growing army of men who are constantly joining the Travelers agency force.

Owing to the increasing number of delegates and the difficulties of entertaining a large body of men satisfactorily at a given point, together with the growing necessity of discussing business problems peculiar to certain sections of the country, the company has decided to try, in 1908, the plan of substituting for one convention several separate conventions in various sections of the country. There will be four conventions for life and accident delegates; one to be held in the East, which will include the agents and brokers, who are invited from New England and the Middle States; another in the Middle West, including those invited from States north of the Ohio river, and between Ohio and Colorado; another in the South, including those invited from the Southern States, and the fourth on the Pacific Coast, including those invited from that section.

In the liability department and the Travelers Indemnity Company, two conventions will be held—the first to include the agents and brokers invited from the Eastern and Southern States, and the second, those invited from the Central and Western States.

—Receiver Henry A. Wyman, of the Colonial Life Association of Boston, has been authorized to pay a dividend of fifty-five per cent, making a total of 100 cents on the dollar paid to creditors.

—The Ætna Life is issuing a new five-year convertible term policy in amounts ranging up to $10,000 at the following annual rates. Age 20, $9.33; 25, $10.01; 30, $10.93; 35, $12.11; 40, $13.67; 45, $16.89, and 50, $22.40.

THE WEST.

Life Insurance Companies Leaving Wisconsin.

During the past week several life insurance companies have announced their intention of withdrawing from Wisconsin, in addition to those named in The Spectator last week. The list of positive withdrawals now stands as follows: Germania, Home, Manhattan, and Mutual, all of New York; Connecticut Mutual and Phœnix Mutual of Hartford, Mutual Benefit of Newark, Michigan Mutual of Detroit, Massachusetts Mutual of Springfield, and Penn Mutual of Philadelphia. The Equitable of New York, and Union Central of Cincinnati have not yet taken any definite action, but it is probable that they will withdraw from the State as will some of the younger companies. The withdrawing organizations have issued circulars to their policyholders explaining the reasons for their action and notifying them as to where premiums can be paid.

John M. Taylor, president of the Connecticut Mutual, says:

As to the legislation itself, the facts in brief are these: No one—not even the men who drafted them—knew what these laws signified, and they do not know to this day. Some of them did not know what they contained at the time of their enactment, and are still in ignorance of that vital fact. The officials charged with their enforcement (perhaps with a wise hesitation) admit their ignorance of their real intent, decline to interpret them, or to give any assurances as to how the laws may be construed, or what may be their effect on the companies. The laws themselves are impracticable and unworkable. They are ambiguous and contradictory; they cannot be intelligently applied to the companies; they involve serious questions of law, of policy, and of management, which are wholly incapable of solution in the light of careful study and analysis.

The Mutual Benefit announces that its general agents now at Milwaukee and Madison will locate at St. Paul, Minn., and Freeport, Ill., after December 31. A detailed statement of the reasons for leaving the State has been sent to policyholders, and President Frelinghuysen says:

The company has experienced no difficulty in complying with the restrictive legislation in New York and several other States. In fact, the legislation in such States conforms so closely to the practices followed by the Mutual Benefit that the company has not been required to change its course. The legislation in Wisconsin is of a different character. In that State the laws are ambiguous, and it is apparently impossible to place any consistent interpretation upon them. An unintentional and unconscious violation of the laws would subject the compay to a fine of $5000, while the individual who might be held responsible would be subject to a fine of $1000 and imprisonment for one year. No corporation is justified in operating under laws whose meaning is so vague and the penalty for whose violation is so severe. On the other hand, provisions whose language is not ambiguous are so inimical to the best interests of the policyholders that the company would not be justified in undertaking to comply with them. These facts were clearly shown to the members of the legislature who were primarily responsible for the laws, and they were informed that if such laws were enacted the company would be compelled to withdraw from the State. To remain in the State requires that the company shall either evade the laws as they are understood, or rely upon the failure of the authorities to enforce them. In either case, it would still be within the power of others to cause the company serious embarrassment.

The Phœnix Mutual will transfer its general agency from Milwaukee to Chicago. President John M. Holcombe writes the policyholders in Wisconsin as follows:

The officers of the company realize the sacred trust which has been reposed in them by the policyholders as a whole, and they must recog-

nize this obligation by conducting the affairs of the institution in ways which have been shown by experience to be sound, equitable and economical. If the people of Wisconsin believe that there is an unusual condition of affairs in their State which demands the passage of laws for their protection, it is the duty of the legislature to enact statutes which shall, as completely as possible, avert the dangers which may have been shown to exist. The officers of this company do not question the power and duty of the legislature in such a case, nor have they any quarrel with the people and their representatives, but they cannot conscientiously run the risk of incurring penalties under laws of doubtful meaning, or comply with requirements not in accord with those methods which have been adopted after many years of study and observation.

Several newspapers in Wisconsin have taken alarm at the results of the drastic legislation as shown by the withdrawal of companies and are urging the Governor to call an extra session of the legislature for the purpose of amending the laws. Governor Davidson, however, says he does not believe there is any necessity for such action, which is in line with his declaration when he signed the bills, that he did not know what they meant.

Commissioner of Insurance Geo. E. Beedle has issued a lengthy statement construing the laws, which, in the opinion of most company managers, sheds little light on the subject.

—The National Fraternal Society of the Deaf is being organized in Chicago.

—The Bankers Club, a fraternal organized at Pierre, S. D., expects to commence business on January 1.

—The Union Life of Kansas City has received a charter. It is proposed to have a capital stock of $100,000.

—The Peoria Life of Peoria, Ill., has $100,000 of its capital paid in, and expects to begin operations on January 1.

—The American National Life of Detroit, which was incorporated in October, 1906, has $50,000 of its capital paid in, and expects to begin business on April 1, 1908.

—The Inter-Ocean Life and Endowment Company of Kansas City has started to solicit the amount of business necessary to receive a license as a stipulated premium company.

—W. D. Current, agency director for the Inter-Southern Life of Louisville, has resigned, and is now Kentucky general agent for the Southern States Mutual of Charleston, W. Va.

—The department of economics at the University of Minnesota has provided for a course of eighteen lectures on the general subject of insurance, twelve of which will be on life insurance.

—A Western life insurance company advertises in another column for a competent man as manager of agents at its home office. This is an excellent opportunity for a man of brains and ambition.

—The Bankers Life Association of Des Moines reports a large increase in business. It has already placed nearly fifty millions of dollars in new insurance since January 1, 1907. All departments indicate a very prosperous condition.

—The Insurance Commissioner of Oklahoma has notified the Merchants Life of Burlington, Ia., the Bankers Life of Des Moines, and the National Life of Des Moines to increase the amount of their assets to comply with the valuation laws of the State.

—The Missouri and Illinois Departments have made a report of the joint examination of the Great Western Life of Kansas City, in which the "special income" clause of its contract and the "annuity certificates" are criticised. The assets are reported to be in good condition.

—The Meridian Life and Trust Company contemplates entering several new States next year. The company has been doing a very satisfactory business in West Virginia, and reports that the month of November showed a marked improvement over October, notwithstanding the financial difficulties.

—The Northwestern Life Insurance Company has been organized at Aberdeen, S. D. The directors of the new company are F. N. Travis, John Wade, L. T. Van Slyke, E. G. Travis, F. C. Moore of Aberdeen, C. K. Bryant, T. L. Houston of Minneapolis. The company is organized under the legal reserve laws.

—On January 1, 1908, the Bankers Reserve Life Company of Omaha will go on the American 3½ per cent basis to comply with the new laws passed in several States in which the company is doing business. The modified preliminary term on the basis of the ordinary life policy has been adopted for valuation purposes. Values and policy forms have been prepared by Paul L. Woolston, consulting actuary, of Denver.

—Henry A. Buchtel, Governor of Colorado, recently received a settlement of a fifteen-year policy in the New York Life. He finds that he has been insured for fifteen years at an annual charge of but $8.47 per thousand. In acknowledging receipt of a draft in settlement of his policy he says: "I am an enthusiastic advocate of insurance, and think every man ought to be insured in one or more safe and strong companies."

THE SOUTH.

—J. E. McLoughlin, advertising manager of the Atlantic Georgian, has been appointed district manager of the Equitable Life, under Manager F. W. Burr.

—A Southern legal reserve life company offers a good opportunity to one who can fill the position of superintendent of agencies. See advertisement in this issue.

—The Sun Mutual Life Insurance Company has been organized at Fayetteville by negroes.

—Craig Cofield, manager for the Security Mutual Life of Atlanta, has resigned and the territory will be handled direct from the home office.

—The Georgia Life Insurance Company of Athens has been chartered as an old line company, with a capital stock of $500,000. The incorporators include Hamilton McWhorter, L. F. Edwards, James White, J. Y. Carithers, W. T. Bryan, E. R. Hodson, Sr., Joseph N. Webb, John E. Talmadge, Sr., C. H. Phinizy, John J. Wilkins, Billups Phinizy, George H. Hulme, L. H. Fargason, John A. Darwin, M. G. Michael, Athens; James N. Smith, Smithonia; John R. White, Whitehall.

—The Insurance Commissioner of Alabama has given the Great Western Life of Kansas City ten days' notice of revocation of its license. The Commissioner's action is based upon a refusal of the company to be examined by the Alabama Department. The examination was to have been made by Actuary S. H. Wolfe, but the company claimed that he was prejudiced, and protested against the examination. The company has been examined five times within the past six months.

—The Cumberland Life of Nashville is being organized. The plan of operation appears to be unique. The applicant is to pay $500 premium on a $10,000 policy for the first year and $100 for $200 worth of stock. The second premium is to be paid by an affiliating trust company, and at the end of the second year the $500 is returned to the policyholder by the trust company, also the $100 paid for stock, and the trust company takes care of all other premiums. The trust company is said to have a lien on about everything in sight.

MISCELLANEOUS LIFE NEWS.

ASSOCIATION OF LIFE INSURANCE PRESIDENTS.

Annual Meeting at Hotel Belmont, New York—Grover Cleveland Presides—Many Company Officials and State Insurance Commissioners Present—Instructive Papers Presented—Wisconsin Laws Condemned.

On Friday, the 7th inst., nearly two hundred persons representing life insurance companies, State Insurance Departments and insurance journals gathered at the Hotel Belmont, New York, for the annual meeting of the Association of Life Insurance Presidents. Prior to the meeting ex-President Grover Cleveland, chairman and counsel of the association, held an informal reception and heartily greeted the numerous visitors. The sixteen companies making up the association were all well represented, and numerous other company officials availed themselves of the general invitation to attend the meeting. Among those present were: M. G. Bulkeley, president of the Ætna Life; C. E. Rawson, president, and (Mrs.) L. C. Rawson, vice-president Des Moines Life; Paul Morton, president, Wm. H. Day, first vice-president, and George T. Wilson, second vice-president Equitable Life of New York; L. G. Fouse, president Fidelity Mutual; H. Cillis, vice-president Germania Life; Geo. E. Ide, president, Wm. A. Marshall, vice-president Home Life of New York; Haley Fiske, vice-president, James M. Craig, actuary Metropolitan Life; Chas. A. Peabody, presideut, Geo. T. Dexter, second vice-president, and Wm. A. Hutcheson, associate actuary Mutual Life of New York; Darwin P. Kingsley, president New York Life; Leslie D. Ward, vice-president, John K. Gore, actuary Prudential; Charles M. Turner, president, A. B. Howe, general manager Security Mutual of New York; S. C. Dunham, president, John B. Lunger, vice-president, and Wm. Bro Smith, counsel Travelers; E. B. Craig, vice-president Volunteer State Life.

The foregoing represented the members of the association, and there were also on hand M. A. Woollen, president American Central; F. S. Strobridge, president Baltimore Life; Wm. Hanhart, president Bankers Life of New York; R. W. Huntington, president Connecticut General; John M. Taylor, president Connecticut Mutual; E. J. Heppenheimer, president Colonial Life; W. W. Ruley, president Economic Life; I. M. Hamilton, president Federal Life; F. B. Davenport, president Inter-State Life; J. G. Walker, president Life Insurance Company of Virginia; H. B. Stokes, president Manhattan Life; W. H. Blackford, president Maryland Life; A. A. Drew, superintendent of agencies Mutual Benefit; M. S. Brenan, president Mutual Life of Baltimore; A. D. Foster, vice-president New England Mutual; Geo. H. Noyes, counsel Northwestern Mutual; L. K. Thompson, president Northwestern National; John M. Holcombe, president Phœnix Mutual; Lee B. Durstine, president North American Life; W. L. Moore, president Southern States Life; W. F. Smith, secretary United States Annuity and Life; John Tatlock, president, G. L. Plumley, actuary Washington Life.

Several Insurance Commissioners were present, some of them being accompanied by others of their staff. Among them were: E. Myron

Wolf of California; E. E. Rittenhouse, Colorado; W. H. Woodward, actuary, Connecticut; Geo. W. Marshall, Delaware; Thos. E. Drake, District of Columbia; B. F. Crouse, Maryland; Frank H. Hardison, Massachusetts; J. J. Hartigan, Minnesota; Otto Kelsey, New York; Chas. C. Gray, Rhode Island; Reau E. Folk, Tennessee; Thos. B. Love, Texas; Joseph Button, Virginia, and Geo. E. Beedle, Wisconsin.

The papers read were full of interest, and all received close attention, from the address of the chairman down to the last speaker. On Friday the session did not adjourn until after 6 P. M., while an extra session on Saturday morning was devoted to a defense of the Wisconsin laws by H. L. Ekern, speaker of the Wisconsin House, and the man mainly responsible for the passage of that drastic legislation. Quite a number of representatives questioned him very closely, but it was evident that he did not succeed in changing the prevailing opinion that the laws were utterly unreasonable.

Several officials present expressed themselves as well satisfied with the work of the association for the year, and all agreed that it was a most interesting and important meeting. One of the results will undoubtedly be a large accession to the membership. The following officers were re-elected: Grover Cleveland, chairman and counsel; Robert Lynn Cox, attorney and secretary. Executive Committee—Grover Cleveland, Thomas A. Buckner, Sylvester C. Dunham, Haley Fiske, L. G. Fouse, George E. Ide, Paul Morton and Chas. A. Peabody.

EXTRACTS FROM ADDRESSES.

Much has been done by way of repairing damages. The companies have purged themselves of those directly responsible for wrong-doing, and have adopted methods for the transaction of their business which in most important ways enforce fidelity and honest efficiency. Economies have been introduced, vigor and industry have been stimulated, and an enlarged study of the conditions that make for the safest, cleanest and best life insurance is more than ever deemed essential.

The upheaval of investigation which exposed life insurance abuses in high places has also been followed by the avalanche of legislation which inevitably results from violently aroused public sentiment. Some of this legislation is so palpably remedial and so wisely restrictive that all life insurance companies who really desire the reform of abuses should welcome it as in aid of their own efforts in that direction. Some of it, while more drastic and not so plainly necessary, makes obedience not impossible, and upon the theory that because of the sins of a few all insurance companies should bring forth fruits meet for repentance, perhaps should be patiently born. * * * *

Another thing which, it seems to me, has been especially shown to be of very great importance to life insurance companies, is the cultivation of a closer and more intimate relationship between them and their policyholders. With fairness and liberality on the part of the companies, and an exact understanding of what the policies mean, on the part of the assured, they ought to be friends with a mutual interest in every thing that affects the rights and fair treatment of the company. This condition cannot exist if contracts of insurance are misleading and disappointing, if solicitors of insurance are allowed to roam about the country misrepresenting the advantageous terms he is authorized to offer, if dividends and other reasonably anticipated beneficial incidents are not forthcoming, or if policyholders are allowed to remain in slothful indifference to the fact that unfairness to their companies is unfairness to them, and that the unjust taking of money by legislation or otherwise from the funds which are held by their companies in trust for them, cannot be regarded otherwise than as a wrongful and unjust diminution of their individual savings or possessions.—Grover Cleveland.

ELIMINATION OF THE HIGH-PRESSURE AGENT.

But one of the most direct and beneficial results of the upheaval in life insurance, and the legislation which followed therefrom, was the elimination of the high-pressure agent—the irresponsible or ignorant man who entered the business either because he could not make a living elsewhere, or merely as incidental to his passing needs; who lacked either the education, experience or practical knowledge requisite to honest and intelligent action. His object was to make as large and as quick a commission as possible, without any thought of the future, except the consolation that he would not be present on the day of reckoning. It was against such practices and the employment of such "undesirable citizens" that the Life Underwriters Association of New York bent its energies and influence early in 1905, which was likewise the action of most other life underwriters associations constituent to the National Association. In this crusade we were fortunate to receive the encouragement and advice of the chairman of your association, Mr. Cleveland, who said to the New York association that since he has been brought into relationship with the methods of life insurance the things that had exasperated him the most and most aroused his sympathies were the pathetic tales of those who had been deceived by the sharp practices, the misrepresentations and the downright false pretenses of life insurance agents and solicitors who have been turned loose to prey upon honest men under the guise of a mission of sacred import.

This class of agents has disappeared from life insurance, succumbing to that potent influence reflected by the reforms introduced into the management of all life insurance companies. The present tendency, in fact, the environment of the agency business generally, is that of intelligent and honest advice to an intending assurant, just as an attorney gives to a client. The opportunities for misrepresentation and fraud by agents have been minimized, even eradicated. This type of agent has been retired from the field, and the insurance fraternity at large has attained that much higher standard. The important part the agent has in building up his company—in attracting business thereto, and maintaining the company's welfare and earning capacity, through an influx of new business, is of less moment than the fact that his relations towards the insuring public are honorable and above reproach.—Charles Jerome Edwards.

THE TERM "DIVIDEND" A MISNOMER.

The term "dividend" is largely responsible for the false impression; the original meaning of the term "divided portion" or "allotment" has been entirely lost sight of in the popular mind, and it is associated with the increment of profit divided among stockholders in an industrial institution. Between the latter and the former there is no analogy, yet the trend of most legislation in the subject is based on the supposition that both forms are sufficiently similar to call for the application of the same rules.

In a "participating" company where the policyholders "share in the profit," the company decides upon a rate of premium, known as the "tabular" or "office" premium, which consists of a certain amount to cover the current cost of insurance, and provides for the reserve plus the "loading" or "margin for expense." This last item is made sufficiently large to cover all contingencies, and if in the experience of the company, as demonstrated by its record, the margin or loading is greater than has been neded, the excess or overcharge on each office premium is returned to the policyholder. This is the elementary meaning of the word "dividend" as used in life insurance. It is known to all insurance men, but is so imperfectly understood by the public at large and by our legislators that too great stress cannot be laid upon the necessity of clear definition at the very commencement of our consideration of this most important matter.

Let us try to remember, then, that the dividend in life insurance is simply a return to the policyholder of that portion of his premium which the experience of his company has proved to be an excess over the amount required to meet all incurred obligations and to provide for probable future requirements.

Dividends may be derived from the fact that the mortality is less than was expected and charged for, the rate of interest earned on the company's assets may be greater than that upon which the calculation has been made; the expenses of the company may be less than the "loading" which was placed upon the net premium to provide for this item; and the company may make profits from miscellaneous sources which accrue to the benefit of the policyholder.—Geo. E. Ide.

LOGICAL AND ILLOGICAL LIMITATIONS.

I am not opposed to limitation of expenses on what may be spent in the procurement of new business. I am opposed to a law under which socialism creeps in, and while professing to limit expenses limits methods. I am opposed to a law which provides for expenses something which may never exist and practically ignores a provision which exists in every premium paid during the lifetime of every insurance contract. I am opposed to a law which, between the limitation which it fixes on cost of new business and the limitation which it fixes on total expenses leaves opportunity for endless extravagances. I am opposed to a law which, taken with other sections of the insurance law, absolutely takes the soul out of organization.

There is logical justification for the limitation of the expenses of a life insurance company—aside from any academic opinion to the effect that expenses were or were not excessive, or that a company has or has not paid too much for new business—and that is in the way the premium rates of a company are made up. The State selects a table of mortality and says that the company must provide for a mortality in accordance therewith; it selects a minimum rate of interest, and says the company must have enough funds on hand to meet its future liabilities in case it earns only this rate of interest on its invested funds; but it leaves the company to say what amount it will add to the net premium calculated on these assumptions for expenses and contingencies.

We have better knowledge now of life insurance and of the companies chartered by this State. Time has pointed out some of the errors made by the legislative committee and some of the errors made by the legislature. They are such errors as have always been made by honest men seeking reform. They are errors, however, which to a considerable degree can be remedied, and a remedy is demanded by the imperial position of this State, by the interests of the citizens of the State, by the existing obligations of the citizens of the State to the citizenship of the world.

Repeal no law which makes the companies sound; repeal no law which makes the companies honest; repeal no law which demands the fullest and the most exacting publicity. Amend the laws where the State has done partly well and partly ill. Amend section 97. Amend section 83 so as to restore every sound facility for the issue of insurance on impaired lives.—Darwin P. Kingsley.

THE TROUBLESOME WISCONSIN LAWS.

It is not unfair to say of chapters 636, 657, 658 and 668, which present the Wisconsin plan, that they abridge the natural right to contract; that they impair and interfere with contracts heretofore made; that they require an annual apportionment to be made in a manner opposed to well-considered and firmly established practice; that they interfere with the obligations of mutual companies to treat all members alike; that they place unjust and erroneous limitations upon premium charges and upon the expense which may be incurred or paid by companies; that, although professing to secure economic management, they will make the conduct of the business more expensive; that they do not take into account the home State obligations of foreign companies; and that they are so inaptly drawn as to be fairly subject to more than one interpretation—in several instances, the provisions of one chapter will be found to conflict with the provisions of another. A decision of the important question whether to continue to do business in the State or withdraw will be controlled by these chapters, for the difficulties presented by the other enactments may be overcome.

Although it may be assumed that now these laws will be construed reasonably, it is not easy to see how companies which issue participating policies or both participating and non-participating policies will be able to overcome the more important of the objections above stated or how they may be reasonably assured that they can make compliance with all of the requirements to the satisfaction of the Insurance Department of Wisconsin and at the same time keep to their obligations to members elsewhere. Such companies may well hesitate to make the trial. As non-participating companies are exempted from the more burdensome provisions of chapter 657 and have no apportionment of profits to make, they may contrive to get along in a sort of a way within the expense limits of chapter 668.—Wm. Bro Smith.

PROPER VALUATION OF BONDS.

Criticism and the expression of disapproval of an existing order is rarely justified unless followed by the enunciation of a remedy. Bearing in mind that securities are purchased by life companies for permanent investment, the nature and occurrence of the liabilities for which they are an offset and the complicated questions which arise in connection with the division of surplus—reference to which will again be made—it is submitted that the method of valuing bonds, by computing their present value on the basis of the effective, or actual, rates of interest, if held to maturity, which is determined by the prices at which they were originally purchased, meets in a satisfactory manner all the conditions of the problem. The method is not new nor original. It rests upon fundamental principles of interest and annuities, and has been used for many years by some life companies and many other financial institutions in fixing the book values of bonds. It is easy of application by means of well-known and generally adopted tables. It contains no elements of mystery or pure assumption, and involves in its application no exercise of independent judgment. In considering the claims for attention to this method it is proper to note the nature of that instrument usually called a bond. It consists of an obligation to pay a fixed sum at a stated future date, which fixed sum is called the face value of the bond, and of a series of obligations to pay other fixed sums at the end of periodical intervals of time, usually less than one year, the dates of which occur before and on the fixed date at which the face value of the bond is due. If the rate of return to be realized on a bond corresponds in its proceeds to the amount of the obligations due at the end of each periodical interval, then the present value of the obligations comprised in the bond, computed at such rate of return, will at any date of valuation, be equal to the face value of the bond. Similarly, if the rate of return calls for proceeds which exceed the amount of the periodical obligations, then the present value of the total obligations will at any time before the face value is due, be less than such face value; if the rate of return calls for proceeds which are less than the amount of the periodical obligations, then the present value of the total obligations will, at any time before the face value is due, be more than such face value.—John Tatlock.

AVERAGE VALUATIONS URGED.

A life insurance company is obliged to invest its funds as they are received. The very foundation of the business is on the basis of earning interest on the

reserves, and any trustee who would let these moneys accumulate and wait for a great shrinkage in value before he invested would be very severely condemned, and, in addition, the loss in interest might more than amount to the appreciation of principal, even if he were successful in making an investment at the lowest market price. A life insurance company's funds must continuously earn interest. In order to do this, investments must be made at all times, whether in periods of inflation or in periods of depression.

Much fault was found with the life insurance bank balances which they carried. Yet, if every life insurance company in the United States had continued those balances, and even doubled, trebled or quadrupled them, instead of investing their money currently, they would to-day be able to take advantage of tremendous bargains yielding high rates of interest, and policyholders would get the benefits. This merely happens to be the case at this particular time, and I do not want to be understood as commending big bank balances, although I think that there is just as much reason to criticise a life insurance company which carries too small a balance as there is for condemning one that carries too large a balance.

What is true of real estate mortgages applies with equal force to State, county or municipal bonds of small issues, not large enough to be listed or traded in on the various stock exchanges, and for which there are no quotations. Insurance companies having these kind of securities can attach their own values to them, because there are no transactions to check these values with, but where would such bonds be selling in a market like we have had the last six months, and what banks are there here which would lend money on them? It is collateral which could not be sold in such an emergency as we have had at any reasonable price. Life insurance companies are not subject to such wholesale catastrophes as San Francisco had and have never yet been compelled to sacrifice their investment securities, whether mortgages or bonds.

It would seem to be a much fairer plan to base the values upon an average market value for some given length of time, to be determined upon in accordance with the prevailing conditions. There are times in periods of excitement caused by strikes, politics, rumors of war, very high or very low rates for call loans, and many other causes rather than supply and demand, which materially aids in bringing about fictitious quotations—quotations that may be too high, or may be too low—Paul Morton.

The Life Insurance Premium.

The mystery, which the average man imagines surrounds life insurance, is easily dispelled by a careful reading of the pamphlet bearing the above title. A life insurance contract is one of the most important any man can enter into and he should be as familiar with it as with a contract to build a home. This pamphlet, written by John F. Huntsman, gives a clear insight into the business and will prove a valuable aid to agents. It presents the simplest possible explanation of the uses made of the money paid by a policyholder for life insurance protection. The price of the pamphlet is 25 cents per copy, with liberal reductions in quantities, particulars of which can be obtained of The Spectator Company, 135 William street, New York.

INDUSTRIAL INSURANCE

—The "Prudential girl" is again abroad in the land. If possible secure a copy—she's a beauty.

—The Prudential's Chicago No. 1 district recently made a notable week's record by writing, on an average, ten applications per agent, a total of 474 applications for $42.11.

—The Colonial managers who led in industrial increase up to November 25 are: L. Janson of Williamsburgh; J. I. McLoed of Pittsburg; J. W. Allbritton of Easton, and H. Morlock of Elizabeth.

—Superintendent Brice, of the Prudential at Providence, was recently given a birthday party in the form of a special industrial effort, which netted 424 applications for $42.18, with large advance collections.

—From the great mass of statistics a writer, not long ago, culled these four facts: "One fire to every 175 fire policies. One accident to every ten accident policies. One sickness to every five health policies. One death to every life."

—Superintendent Krull, of the Prudential at Jamaica, is getting in some fine scores this year. His staff of four assistants and twenty-three agents recently made a week's record of 295 applications for $21.32, with a good amount of ordinary.

—Superintendent Buckley, of the Prudential at Waterbury, Conn., is to be congratulated upon an excellent score made recently. With four assistants and twenty agents he secured in one week 399 applications for $39.74 with $45.76 of advance premiums collected.

—During a recent week the St. Louis No. 4 staff of the Prudential, with a force of thirty-two agents and eight assistants, wrote 363 applications, for $42.93; an average of nine applications for over one dollar. The staff also has to its credit for the week some revivals and $12,000 ordinary.

—The Colonial reports the following appointments to assistancies: Louis Zeruth, Easton; Elmer F. Espenship, Norristown; Rudolph F. Kleeman, Jersey City; M. A. Clymer has been appointed special assistant at Philadelphia, and A. P. G. Viglezzi, special assistant at South Philadelphia.

—The Life Insurance Company of Virginia has announced the following changes and promotions: A. C. Moss, assistant in charge of Henderson, appointed assistant in charge of Spray. Agent D. I. Langston, Henderson, succeeds A. C. Moss, as assistant in that district. W. C. Brittain, assistant at Kings Mountain, appointed assistant in Charlotte.

—John R. Fox, superintendent of the Southwark district of the Metropolitan, was, on December 5, tendered a banquet in the red room of the Bellevue-Stratford in honor of the twenty-fifth anniversary of his employment by that company. There were 100 guests present, the majority of them being connected with the company.

—The Baltimore district of the Prudential under Superintendent Johnson is forging ahead at a rapid pace. During a recent week the staff secured 466 applications for industrial, besides revivals, and $22,000 of ordinary. The collection percentage for the week was over one hundred, and the gross arrears were pulled down lower than they have been for six months.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

It was given out on Saturday last that the Excelsior had not been actually handed over to the receiver appointed by Judge Betts on Thursday. The company has gone into voluntary liquidation on its own account. The president informs his friends that the company is perfectly solvent, and is prepared to pay its honest debts for return premiums or otherwise on demand; and he repels, with great indignation, the charge that the company has violated the law in writing policies in excess of ten per cent of its capital and surplus. He admits a policy for $165,000 was written for the Studebaker Company of South Bend, Ind., but it covered sixty-seven buildings, all of them fully sprinklered. The payment of return premiums, we are advised, has been prompt, and there is no criticism of the Excelsior for any failure to meet just claims upon it.

Companies which insure automobiles are up against some queer experiences in losses, particularly one office, which paid a total loss upon a machine six months ago and last week was confronted with a loss for another party upon the same identical machine. The claim of extensive repairs upon the first adjustment was not borne out by the second claim—that the old machine repaired was good as new.

The last of the Banta companies was disposed of by the transfer of the Pennsylvania and the Firemans Fund to the Willard Brown office, and now the guessing is ended. The net result is a reversal of the early determination to keep the companies together and thus perpetuate for a time the traditions of the Banta office. The general verdict is that the companies have made wise selections.

The meeting of the Eastern Union one week ago was unimportant, only routine matters, previously referred to committees, being acted upon.

The regular monthly session of the Exchange was held yesterday.

The frequency of fires in this city in the last week has recalled attention to the increase of the winter alarms. The companies deserve a rest and, with a normal experience, are not likely to come out very far ahead. We learn offers have been made of contracts to reinsure two companies upon the excess of losses during December over the average of the last three years. This is a gambling form which used to be popular, but has been gradually going out of use for several years.

The failure of the National Mutual of Omaha was quite a blow to the surplus line business from out-of-town points placed by brokers in this city. Various alluring statements, originally made on behalf of the company, attracted a premium income quite beyond its merits.

We are informed that, in spite of the withdrawal of the earthquake clause from the policies of several of the large agency companies doing business on the Pacific Coast, a group of companies whose headquarters are in this city, which are accepting San Francisco risks, persist in inserting the clause in question in their policies. The strange thing about it is the fact that not one policy in ten is refused in San Francisco because of the added clause.

The attention of the community is now centered upon the new building code, and particularly that part of it recommended by the

underwriters. One of the leading dailies devoted an editorial to the work a few days ago and commended the proposed reforms in construction of skyscrapers, and the improvements suggested in the provision for fire escapes. It called attention to the dangerous conditions now prevailing in several prominent buildings.

The Florida Home of Marianna, Fla., has appointed Whilden & Hancock of this city its Eastern managers. All agents of the company in Maryland and West Virginia will hereafter report through their office. The company will shortly apply for admission to New Jersey, which State will be added to that already supervised by Whilden & Hancock.

Cecil F. Shallcross, who was elected president of the Suburban Insurance Exchange, has advised the secretary of the meeting, Joseph McCord, who was elected vice-president, that he could not accept the presidency on account of pressure of other duties.

The General Adjustment Bureau re-elected C. D. Dunlop, Cecil F. Shallcross and Edward Milligan, whose terms were expiring. Frank Lock declined the presidency and was placed on the executive committee. E. H. A. Correa was elected president.

Willard S. Brown & Co. have been appointed managers of the Firemans Fund and the Pennsylvania Fire for the Metropolitan district. These two accessions from the Banta agency make Willard S. Brown & Co. a decided factor in the business.

The executive committee of the Suburban Insurance Exchange met last Thursday, and George W. Hoyt was elected chairman, and J. R. McCay acted as secretary pro tem. A committee on local boards and one on rates were appointed.

Manager Carl Schreiner of the Munich Reinsurance is due to arrive in this city on the 21st of December on the "Kronprinz Wilhelm."

The Eagle Fire Company has appointed Newman & McBain its Brooklyn representatives.

The power for the new high-pressure water system just installed in the district bounded by Chambers, Twenty-third and Hudson streets and Third avenue, is to be furnished by the New York Edison Company, under a contract whereby failure to furnish the stipulated power within three minutes after notice will subject the company to a penalty of $500 per minute for each minute after the three-minute period. The new system , which embraces about sixty miles of pipe, is installed, but it will probably not be ready for practical use before March 1 next. The system includes salt water in-takes at both East and North rivers for use in emergencies.

THE MIDDLE STATES.

—The Eagle Fire Company has appointed W. M. Simonson its special agent for Long Island, with headquarters at Hicksville.

—The Philadelphia Underwriers has appointed Geo. R. Johnson of Honoyne Falls, N. Y., its special agent for Western New York.

—The Individual Fire Underwriters of St. Louis has appointed Platt, Yungman & Co. its sole correspondents for Philadelphia and Camden.

—The Delaware of Philadelphia has discontinued its general agency for New York State, and all agents in that field will hereafter report direct to the home office.

—Willis M. Gage, for the past eight years Western New York special agent for the general agency of Robert R. Tuttle, died recently at his residence in Syracuse, after a short illness.

—Percy B. Jarvis has been appointed special agent of the Security of New Haven for New York State, with headquarters at Syracuse. Special Agent Stroebel, temporarily in charge of the New York State field, has been transferred to the Middle department, with headquarters at Philadelphia.

THE NEW ENGLAND FIELD.

—Major F. D. Layton has been appointed general agent of the National Fire of Hartford, with headquarters at the home office of the company.

—William T. Howe, assistant secretary of the Connecticut Fire, has been elected permanent secretary of the company, succeeding the late Charles R. Burt. Mr. Howe was assistant secretary for the past five years.

THE WEST.

—H. J. Ullmann & Co. of Chicago have dissolved partnership.

—The New England Fire has appointed John D. Cory & Co. its Cook county managers.

—W. F. Bleazby of Detroit, special agent of the Royal of Liverpool, has resigned. He will go to California.

—Carl H. Smith of Dayton, Ohio, has been appointed Ohio special agent of the Pittsburg Underwriters.

—D. M. Peden, a local agent at Illiopolis, accidentally shot himself while in a lawyer's office at Springfield.

—Thomas Hood, an agent at McLeansboro, Ill., has been bound over to the Circuit Court on the charge of forgery.

—A. L. McCrae of Chicago, Ill., has been appointed general agent of the Globe Fire Underwriters of Little Rock, Ark.

—George H. Stratton has been appointed Missouri special agent of the Western Reserve of Cleveland, with headquarters at St. Louis.

—The Western Reserve of Cleveland expects to enter Minnesota immediately after January 1. The field will be added to that of A. R. Porter, special agent for Michigan and Wisconsin.

—H. H. Motley, of the Chicago office of McLean, Stinson & Co., Ltd., of Toronto, has been appointed manager of the firm's New York office. Eugene I. Wile is manager of the Chicago office.

—B. F. Loose, an agent, has for the fourth time broken loose as a trust buster. Claiming the existence of a combine which has been formed for the purpose of controlling premiums in Des Moines, he has filed charges in a local justice's court, accusing Edwin McIntire and "others."

—The Dyer-Jenison-Barry Company of Lansing, Mich., has taken over the Baker, Flint & Campbell agency, known as the Michigan Commercial local agency. Under the new régime, A. D. Baker becomes chairman of the board; O. A. Jenison, vice-chairman and manager; Anna L. Bailey, secretary.

—The Chicago agency firm of MacEnaney & Hengle will be dissolved on December 31. L. S. MacEnaney will establish a local and general agency in the National Life building, and Chas. R. McCabe, special agent for the Agricultural in Illinois and Wisconsin, will leave the field and form a partnership with E. J. Hengle under the title of McCabe & Hengle.

THE SOUTH.

—The Teutonia of New Orleans has entered Maryland and appointed Jenness & Taylor its agents.

—John C. Ruse of Atlanta, Ga., general adjuster of the London and Lancashire and the Orient, died recently, aged fifty-seven.

—The bill to prevent removal of cases to the Federal courts by foreign corporations has passed both Houses of the Louisiana Legislature and has also been signed by Governor Blanchard.

—John D. Kelley has been elected assistant secretary of the Phœnix Fire and Marine of Memphis, Tenn., and is discharging the duties of secretary relinquished by Clyde Richert, who resigned to go into the local agency business.

—Joseph M. Rogers has resigned as secretary of the local board of Knoxville, Tenn., to become special agent of the Springfield Fire and Marine for Kentucky and Tennessee, succeeding his father, the late Charlton B. Rogers.

—The General Adjustment Bureau of New York will establish a Southern branch in Atlanta, Ga., on January 1. E. P. Roberts, of the Birmingham (Ala.) general adjusting firm of Adams & Roberts, has been named as manager.

—Rhodes Browne, president of the Georgia Home of Columbus, Ga., is running for Mayor of his home city on the Democratic ticket. He is almost certain of election, and has received the indorsement of the Workingmen's Political League.

—Fire insurance companies having agencies at Pensacola, Fla., are going to make a fight in the courts against the city license ordinance passed by the council last October, raising the charge for doing business in that city from $25 to $37.50 for each agent.

—F. Bergstrom, who has been doing inspection work for the South-Eastern Tariff Association in Georgia, has been transferred to the Florida field, with headquarters at Jacksonville, to succeed A. A. Hepp, who has been transferred to the North Carolina-Virginia territory.

—Frank L. Lockwood, who recently disposed of his interest in the Smith-Lockwood Company's general agency of Baltimore, has accepted the position of special agent for the North River for Maryland, Virginia, West Virginia, North Carolina and District of Columbia, with headquarters in Baltimore.

—The Southern Insurance Directory for 1907-1908 has been published by The Vindicator Publishing Company. It covers Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas and Virginia, and gives lists of fire insurance managers, Southern fire field men, life insurance managers, lists of companies autnorized, extracts from State laws, lists of agents and their companies by towns, and other useful information. The whole makes a book of 453 pages substantially bound in brown cloth.

MISCELLANEOUS FIRE NEWS.

Valuation of Securities.

Many of the large fire insurance companies in the country have decided not to take advantage of the privilege offered by the insurance officials of some States to use the appraisement of securities as given in their statement of December 31, 1906, instead of reappraising them according to the market value at the close of the present year. Formal notices of this privilege have been received from Pennsylvania and Virginia, and it is understood that other States are in favor of this course, including New York. Elbridge G. Snow, president of the Home of New York, is quoted as saying:

There is no doubt that some of the small companies will show an impairment at present prices, but our confidence in them is so great that we are continuing to renew insurance with all of them. I am confident that there is not one of them whose capital is impaired to the extent of 100 per cent, or anywhere near it. The suspension of even a few small companies would do us more harm than good, because, though we should undoubtedly get some of the business that has gone to them, this district is so congested that this advantage would be counterbalanced by the tying up of the capital represented by the suspended company. So much capital available for insurance would be lost. The smaller companies may decide to make statements only in the States which give them the privilege of using last year's prices and may retire from business in the others temporarily.

The Insurance Year Book.

Fire and Marine, and Life, Casualty and Miscellaneous, 1907-1908.—Receipt of the thirty-fifth annual issue of these well known red and blue volumes has been already briefly acknowledged. Both of them are a veritable mine of information, and as reference books are absolutely indispensable in every insurance office. It is but seldom that on referring to them we fail to find the desired information, and the accumulated data furnished is more comprehensive than can be found in any other form. Price, $6.00 each volume. The Spectator Company, New York.—The Vindicator.

—Cecil Wainwright and John Davy have been appointed assistant secretaries of the Western of Toronto.

—Cesar Bertheau and Kenneth Watson of San Francisco have formed the Bertheau-Watson Company.

—Edward Baumer, manager of the San Francisco office of the Sun of London, will retire at the close of the present year.

—Henry B. Tucker has been appointed special agent of the Firemans Fund as assistant to Frank G. White in Montana, Wyoming and Southeastern Idaho.

—L. C. Holloway, brother of President Holloway of the Walla Walla Fire, has been appointed special agent of the Glens Falls in Utah and Colorado, with headquarters at Denver.

—The Royal of Liverpool will shortly commence the erection of a ten-story steel frame fireproof structure on its property in Sansome street, near Bush, San Francisco. The lot is 66 x 87.6 feet.

—John E. Anderson of Dallas, Tex., has been appointed special agent of the Commonwealth and the Austin Fire in the States of California, Washington and Oregon, with headquarters at San Francisco.

—A. H. Jackson has been appointed special agent of the American of Newark to cover the Pacific and mountain field, previously supervised by J. H. Richards, who has become general agent in California for the Walla Walla Fire.

—The Commercial Union, the Palatine and the Williamsburgh City Fire have been advised by counsel that the courts will not sustain the action of Insurance Commissioner Wolf of California in refusing licenses to them. Legal proceedings will be taken to compel the Commissioner to issue licenses.

—Assistant Attorney-General A. J. Falknor of Washington has advised Deputy Insurance Commissioner J. H. Schively that the new law is not retroactive, and in computing the tax to be paid by the insurance companies reports must be made for the portion of the year up to June 12, 1907, under the old law, and for the balance of the year under the new law, applying the provisions of the old and new statutes to the separate portions of the year in determining how much tax each company must pay. This interpretation is favorable to the insurance companies, as the 1907 law increases their tax rates.

—"An Encyclopædia of Marine Law" is the title under which Lawrence Duckworth of the Middle Temple, barrister-at-law, has written a book of 300 pages, in which he has undertaken to bring together the main principles of marine law, and to place them before the general reader in a simple, intelligible form. The author of this work (which has just been published in London, England) is also the author of the "Law Relating to General and Particular Average," "An Epitome of the Law of Charter Parties and Bills of Lading," etc. The volume should be useful to shipowners, shipbrokers, shipbuilders, underwriters and shipping clerks.

Casualty, Surety and Miscellaneous

Casualty Notes.

—Thomas E. Malcom, manager of the liability department of the United States Casualty in New York city, is again at his office, after a severe attack of typhoid fever.

—The Missouri Life and Accident of St. Louis is completing organization under the assessment laws and will write weekly industrial accident business with a small death benefit.

—J. A. Lassoe, manager of the liability department of the United States Casualty, will start, this week, for Arizona, where he will remain for about three months for the benefit of his health.

—The Minnesota Department has examined the National Live Stock Insurance Company of St. Paul and reports an impairment of $2229.

—The Farmers and Citizens Live Stock Insurance Company, Tipton, Ind., has gone out of business.

—The Security Life and Accident Association of Birmingham, Ala., has applied for a charter. Its capital is $25,000, and the incorporators are: John C. Pugh, A. C. and T. C. Craven of Birmingham, C. M. Harrison of Enterprise, and L. C. Powell of Elba.

—Nelson J. Edwards has returned to this country from England, where he had charge of the British business of the Preferred, whose foreign branch has been closed. Mr. Edwards will return to Cincinnati to resume charge of the general agency which he had there before he went to England.

—Sidney N. Moon has been elected vice-president and general manager of the Union Accident and Casualty Company of Philadelphia. This company will have a capital of $300,000 and surplus of $200,000 and will be ready early next year to write personal accident, liability, plate glass and burglary insurance. James A. Flaherty is president, and the company's offices are in the West End Trust building. Mr. Moon has had a wide experience in the personal accident, health and liability insurance field, and is well known as an able underwriter.

Surety Notes.

—The United States Fidelity and Guaranty of Baltimore has decided to retire from Oklahoma.

—McClure, Kelly & Co. of Houston have taken the general agency for the Southern Surety in Southeastern Texas.

—James Purdon Wright, New Jersey manager of the National Surety, died a few days ago, and has been succeeded by Arthur W. Rankin, formerly with the American Surety at Newark.

—Comptroller Martin H. Glynn of New York State has announced that he will hereafter require corporate surety from all depositories of State funds, and that a report of the condition of the deposits must be rendered monthly.

—Winslow Warren, Jr., of Boston has been appointed manager in Massachusetts for the United Surety. Mr. Warren is well known in Boston, and since 1903 has been the manager of the surety and bonding department of the Title Guaranty and Surety in the office of R. A. Boit.

—The Empire State Surety Company has arranged to write the bonds for the Kentucky, Tennessee and Virginia Tobacco Planters Association on its officers, inspectors, warehousemen and prizers. A special bond has been prepared providing for a guarantee of the faithful performance of contract on the part of the prizers and tobacco warehousemen.

—When the Chelsea Savings Bank of Chelsea, Mich., suspended it was discovered that State Treasurer Frank P. Glazier was under a fidelity bond of $150,000, written by the Title Guaranty and Surety. The depository bond on the State funds in the bank aggregated $200,000, as follows: Bankers Surety, $17,500; Federal Union, $57,500; Fidelity and Casualty, $25,000; American Surety, $50,000; Title Guaranty and Surety, $25,000; United States Fidelity and Guaranty, $25,000. Glazier was president of the bank and he made use of it as a State depository. The

sureties claim that the State knew very well as to Glazier's doings, but did not make any effort to stop him. Another report is that the total obligations of the bank to the State amount to $1,034,000.

—Mr. Ford introduced a new bill in Philadelphia common council last week in the interest of surety companies. It provides that such companies can furnish contractors' and other bonds to the city for no more than one-tenth of their paid-up capital stock and surplus in any one iustauce, but makes no restrictions as to the aggregate amount of bonds the city might receive from any company. The bill was referred to the finance committee.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, $7; book only, $5; monthly supplement only, $2 per annum.

Citizens Fire Association, Mankato, Minn.

Examiners of the Minnesota Insurance Department report that this company has only $20,794 of assets and $23,420 of liabilities, showing a deficit of $2626.

Dominion Mutual Fire Insurance Company, Montreal, Que.

This company is writing only reinsurance upon surplus lines written in this country, through McLean, Stinson & Co., Ltd., of Toronto. Its financial statement as of August 31, 1907, showed total cash assets of $8956, deposit note capital unassessed, $33,600; total assets, $42,556; total liabilities, $13,667; net surplus, including unassessed deposit notes, $28,889.

Dubuque Fire and Marine Insurance Company, Dubuque, Ia.

The Iowa Insurance Department recently completed an examination of this company. Its condition as of October 1, 1907, was as follows: Assets, $1,048,612; reinsurance reserve, $654,191; net cash surplus, $194,422.

Excelsior Fire Insurance Company, New York.

Application for a receiver for the Excelsior Fire was recently granted on a motion made by Deputy Attorney-General Dolson before Justice Betts of the Supreme Court, sitting at Monticello, and Eugene V. Daly of Flushing, a lawyer with offices at 76 William street, New York city, was appointed temporary receiver. An order to show cause why the receivership should not be made permanent is returnable before Justice Betts at Kingston on December 21. The directors of the Excelsior later applied for a voluntary dissolution of the company, and Justice Truax appointed J. Campbell Thomson referee in the matter, and set down the return of the order to show cause for January 20 next.

Farmers Mutual Fire Insurance Company of Carroll County, McKenzie, Tenn.

A license has been granted to this company by Insurance Commissioner Folk. It will do business only in Carroll county.

Georgia Fire Insurance Company, Cedartown, Ga.

This company, which was recently organized by W. J. Harris, has given notice of an increase in its capital stock from $100,000 to $200,000.

Guardian Fire Insurance Company, Pittsburg, Pa.

A special meeting of the stockholders of this company will be held in the near future for the purpose of authorizing an increase of $100,000 in its capital, together with the addition of $100,000 to its surplus. Subscriptions have already been received for about one-half of the new stock.

Gulf and Atlantic Fire Insurance Company, Columbia, S. C.

The Fidelity Securities Company of Columbia, S. C., has made application for a charter, Comptroller-General Jones being the prime mover in the organization. A South Carolina stock fire insurance company, to be known as the Gulf and Atlantic Fire of Columbia, S. C., will be organized, the funds for which will be furnished by the Fidelity Securities Company, the latter becoming the general agent and manager for the fire insurance company throughout the United States. The Gulf and Atlantic Fire is to have a capital stock of $300,000.

Inland Fire Insurance Company, Spokane, Wash.

It is reported that the $200,000 capital and $100,000 surplus of this company has been oversubscribed, and that a call has been issued for a payment of $100,000 capital and $50,000 surplus. The remaining capital and surplus is to be paid in before January 1, 1908.

Lumber and Hardware Merchants Insurance Company of Oklahoma City, Okla.

A mutual bearing the above title has been organized, with N. S. Darling, president.

Mutual Insurance Company of South Dakota, Pierre, S. D.

This company has been licensed by the South Dakota Insurance Department.

Ohio Millers Mutual Fire Insurance Company, Canton, O.

The Ohio Insurance Department has completed an examination of this company, showing its condition as of September 30, 1907. The principal items reported are as follows: Total cash assets, $492,223; premium notes, $1,569,908; net cash surplus, $373,332.

Protective Mutual Fire Insurance Company, Des Moines, Ia.

Dodd & Struthers, lightning rod manufacturers of Des Moines, have completed the organization of the above-named company. It will write farm and dwelling business in Iowa only when the property is protected by rods furnished by the promoters. The company is organized under the section of the Iowa laws, which makes each policyholder liable for the entire losses of the company.

Real Estate Owners Fire Insurance Company, New York.

Judge McCall of the Supreme Court has appointed John J. Mackin receiver of the Real Estate Owners Fire, on application of the directors for the dissolution of the company. The receiver's bond was fixed at $75,000.

Reliance Mutual Fire Insurance Company, Philadelphia, Pa.

A charter has been issued to this company by the Pennsylvania Department. The officers are: Thomas J. Nolan, president; Corwin A. Patton, vice-president; Chas. E. Collins, treasurer, and C. W. Van Fleet, secretary.

Royal Mutual Fire Insurance Company, Rochester, N. Y.

The New York State Central Organization of Co-operative Fire Insurance has asked permission of Attorney-General Jackson to open an action against the Royal Mutual, alleging that it is doing business without being properly incorporated. During the past few years the law enforcement committee of the Central Organization has been a factor in annulling the charters of half a dozen co-operative companies in New York State.

Security Mutual Fire Insurance Company, Chatfield, Minn.

An examination of this company by Insurance Commissioner Basford of South Dakota was followed by a commendatory report as to its methods of transacting business, and its fairness in adjusting and promptness in paying losses. Its statement as of November 1, 1907, shows $50,081 of assets, with liabilities (including reinsurance reserve, $28,590) amounting to $34,848, leaving a surplus of $15,233. Its insurance in force aggregated $5,905,817, with premiums amounting to $108,629, and its loss payments from organization to November 1, 1907, reached a total of $191,320.

Southwestern Fire Insurance Company of Oklahoma City, Okla.

Prior to Statehood, this company was chartered under Indian Territory laws, with a capital stock of $200,000, $1000 of which is reported to have been paid in. The incorporators are: W. A. Wolverton, M. E. Mathew, H. R. Morriss, C. E. Johnson, S. A. Searcy and W. S. Wolverton. Most of the above are connected with the Wolverton general agency at Oklahoma City.

Standard Mutual Fire Insurance Company, Toronto, Ont.

This company is writing surplus lines in this country through Eugene I. Wile, the United States representative of McLean, Stinson & Co., Ltd., of Toronto. Its total assets as of June 30, 1907, amounted to $303,589, $106,380 of which was subscribed capital, and $72,539 premium notes. Its paid-up capital was $11,820, and its net surplus, including premium notes, $61,793.

Transatlantic Fire Insurance Company, Hamburg.

In order to ascertain and establish the fact that there are no claims outstanding against its trust funds deposited in the United States for the benefit of policyholders under the New York State laws, the Transatlantic Fire, through its United States trustees, has begun an action against all parties who may have claims against the company with the object of bringing them into court. In this way it is expected that the fund will be freed from any obligation or lien and speedily become available for payment to the San Francisco claimants of the company. Gustav Gutsch of San Francisco, who went to Hamburg as attorney for the claimants in the conflagration, expects that at the end of the liquidation of the Transatlantic in Germany the policyholders will have received about forty-two per cent of their claims.

Walla Walla Fire Insurance Company, Walla Walla, Wash.

In a letter to its agents, President Holloway of the above-named company analyzes an article concerning the company, which was printed in Best's Insurance News, and brands certain statements made therein as false, showing also that no criticism was made of the assets of the company, nor of their value. On this point, Mr. Holloway says: "Your attention is directed to the fact that he has not stated anywhere that the company is not the owner of every asset claimed by it; that they are not of the value claimed. As to the question of value, the officers of this company who passed on the values are as competent to judge on this matter as any set of men who can be found; and besides, these values have been confirmed by inquiries made by both the Washington and Wisconsin Departments to the entire satisfaction of both. * * * There is not a fact stated in this report of Best that was not fully known to both the Washington and Wisconsin Departments; we have been examined by the former twice at our own request, and the latter at the time we applied to that State for a license, which was duly granted. We are not asking at the hands of any man or any set of men anything more than a square deal. This company's policies are worth one hundred cents on the dollar, and will be paid without discount and without asking for delay either."

Western Insurance Company, Pittsburg, Pa.

This company's statement as of October 31, 1907, shows the following condition: Assets, $824,345; reinsurance reserve, $355,760; total liabilities, except capital, $385,259; capital stock, $300,000; net cash surplus, $139,086.

Williamsburgh City Fire Insurance Company, Brooklyn, N. Y.

In the suit of Leon Willard & Co. vs. Williamsburgh City Fire, Judge Van Fleet, sitting in the United States Circuit Court at San Francisco, recently ordered the jury to return a verdict in favor of the plaintiff. The amount awarded was $2500, the full sum sued for, with interest at 7 per cent from date of the earthquake, April 18, 1906. The defendant company based its defense on the earthquake clause in its policy. There are a number of similar suits against the Williamsburgh City in which the defense is the earthquake clause.

Agency Wants.

WANTED

Competent man to take position of Agency Secretary in the Home Office of a Western Life Insurance Company. Must be rapid and accurate stenographer and thoroughly familiar with the Agency end of the business. Salary $100 per month to start with, and excellent prospects of rapid advancement for the right man. In answering, give age, first-class references, and full details of past experience. Address G. A. M., care of The Spectator, P. O Box, 1117, New York City, N. Y.

WANTED

Competent man to take the position of Manager of Agents at the Home Office of a Western Life Insurance Company. Must be thoroughly familiar with the Agency end of the business. Excellent prospects of rapid advancement for the right man. In answering, give age, first-class references, and full details of past experience. Address

T. J. SMITH, President, Fort Smith, Arkansas.

WANTED

Superintendent of Agencies by a Southern Legal Reserve Company. Excellent opportunity for right man. Only those who have made a success in this line need apply. Address SUPERINTENDENT, care of The Spectator, P. O. Box 1117, New York City, N. Y.

Company Representation Wanted.

I desire the general agency for the States of Louisiana and Mississippi of a good Fire Insurance Company. I am well and favorably known and control desirable business, which can be greatly increased through a connection which will second my efforts to secure good business.

JULES A. GAUCHE

Perrin Building, 904 Gravier Street, New Orleans, La.

On January 1st, will be open for engagement with "Old Line" Life Ins. Co. as General Agent or Manager for State of Maine. Have had 17 years' experience with one Company in above State. 12 years as Manager. Large acqaintance throughout State. Well qualified in handling agents, office and field work.

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PERCY B. DUTTON NEW YORK STATE MANAGER

OUTSIDE METROPOLITAN DISTRICT **ROCHESTER, N. Y.**

Humboldt Fire Insurance Co., of Allegheny, Pa.

Assets, $704 893 Surplus to Policyholders, $457,215

Teutonia Fire Insurance Co., of Allegheny, Pa.

Assets, $718,538 Surplus to Policyholders, $459,320

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Vol. LXXIX. *THURSDAY, DEC.* 19, 1907. No. 25.

The Spectator people may not be aware that in declining to distribute advertisements through the reading matter pages they are keeping the course originally marked out.* Formerly every insurance journal mixed reading matter with advertisements, The Spectator being the first to establish clean reading matter pages.—Insurance.

Our contemporary congratulates The Spectator on a course uniformly and consistently followed for a period of forty years.

It now seems probable that the limit of high building construction in New York city will have been reached when the tower of the Metropolitan Life building has been completed; for the report of the Building Code Revision Commission has been rendered to the Board of Aldermen and its provisions are such that, if adopted, it will almost absolutely preclude the erection of buildings much exceeding 200 feet in height. Provision is made for higher structures, but the lot must be of such size that the cubical contents of the building shall not exceed 174 times the area of the lot. Buildings of mill construction and those of reinforced concrete are limited to eighty-five feet in height. Height limits have been seriously discussed for many years, and the advantages and disadvantages of very tall buildings have been extensively considered. While there is danger from flying sparks originating in the upper stories of high structures, such buildings have been found useful in fighting neighboring fires, when they are properly equipped with standpipes to give the firemen a supply of water, and they also form barriers to the spread of fire when window openings are thoroughly protected. The main requirements are, of course, that they shall be firm and strong, and that all metal members shall be absolutely protected from the action of fire. The new code provides for a sworn "construction certificate" from a registered architect or constructor that the work has been completed in strict conformity to the plans and specifications as filed with, and approved by, the Building Department, and for a certificate of occupancy and use to be issued by the Superintendent of Buildings. A new feature is the requirement of "fire towers" in many classes of buildings. A "fire tower" must be so arranged that it can only be entered from a masonry balcony attached to the exterior walls of the building, there being no direct communication between the tower and the interior of the building. The proposed code is the result of the combined efforts of thirty architects, engineers, builders, lawyers, mechanics, plumbers and representatives of the fire department, borough presidents and Board of Aldermen, and was prepared after lengthy investigations into American and European codes, the requirements of various lines of business, and materials and methods for protecting life and property. The installation of interior fire protective devices will follow the rules laid down by the National Board of Fire Underwriters, which is thus recognized as the standard authority on such matters. A public hearing is to be held in relation to the code.

Last week a depositor in the Knickerbocker Trust Company, which closed its doors during the recent money stringency, sold his claim of over $5000 against the company at auction for sixty cents on the dollar. There are efforts being made to put the trust company on its feet again, but meantime all deposits are tied up. The sale referred to was looked forward to with interest, as it is an indication of the general opinion regarding the future of the trust company and the market value of claims against it. If this depositor had put his money into a life insurance policy he could have obtained a loan from the company and still maintained his life insurance. The life companies have contributed millions of dollars recently to the relief of the money stringency by making loans to their policyholders, and thus relieving many from serious embarrassment. They cheerfully aided their policyholders in this manner at a time when money was commanding two or three per cent premium and government bonds, diamonds and other first-class securities offered as collateral could not produce a dollar. A policy of life insurance not only provides for protection to one's dependents or a safe investment for the insured, but is available collateral security for a loan in case of necessity without sacrificing any of its protective features. During the recent panicky conditions, when every bank, trust company and other financial institutions was looked at with suspicion by the public, the value of life insurance came to be appreciated as the very best investment one can make, yielding good profits to the insured, while the principal sum contracted for is absolutely guaranteed by the solid and readily available assets of the companies. Life insurance agents should profit by the lessons of the recent money flurry and press their arguments home to every one with whom they come in contact. They may be met with the excuse that money is still scarce, but this is a fitting time to plant the seed from which an abundant harvest may be reaped in the future. Tight money is not to be the cry for any lengthy period, and agents should improve the lessons of the panic while they are fresh in the minds of every one.

The New York firemen have been having an extremely perilous time of late in fighting fires in buildings of great height and extensive area. As an instance, at the fire in Huyler's candy factory on Friday night of last week, some thirty firemen were overcome by smoke and noxious fumes, some of them only escaping death through the exertions of their brother firemen in dragging them senseless from the building. The factory is ten stories high, and occupies a ground space equal to that of four or five ordinary buildings. It is divided into several rooms on each floor, and when fire

was discovered in the upper stories, it spread so rapidly and filled the whole structure with smoke and the fumes of the burning contents, that the firemen could only combat the flames at the risk of their lives. Gang after gang endeavored to penetrate the smoke and flames to gain a point of vantage for their hose, and man after man was overcome and carried out senseless by their companions. Half a dozen physicians worked over them in an improvised hospital, and as fast as they recovered they returned to their work, some of them being overcome a second time. Five of them were so seriously injured that they had to be sent to Bellevue Hospital to save their lives. The fire occurred after regular working hours, but many girls were working overtime on account of the holiday preparations. Fortunately they were all rescued without injury. Numerous other fires of a disastrous nature have recently occurred that have put to the severest test the heroism and endurance of the firemen, many of whom have been overcome by smoke and noxious fumes. Buildings that include large areas on their several floors offer special facilities to the spread of flames that once get a start among the inflammable contents with which they are usually overcrowded. It seems useless to insist that buildings should be of so-called fireproof construction, when they are permitted to be filled with highly combustible material, promiscuously stored with no adequate cut-off in the shape of fireproof partitions and doors. Elevator shafts, insufficiently protected, have proven to be sources of great danger, contributing readily to the spread of flames and greatly increasing the fire losses. The new building ordinances that propose to limit the height of buildings will probably also take into consideration the better protection of large areas, not only in buildings to be erected in the future, but in those already existing. It is a familiar saying among fire underwriters that it is contents that burn buildings and not buildings that destroy contents.

ON three different occasions of late, President Darwin P. Kingsley of the New York Life has pointed out in strong language the shortcomings of the life insurance laws enacted in New York following the investigation by the Armstrong committee. At the National Convention of Insurance Commissioners in Richmond, at the Trans-Mississippi Commercial Congress at Muskegee, Okla., and again at the meeting of the Life Insurance Presidents Association in New York, he stated the facts clearly and emphatically, giving praise to the remedial measures which aim to prevent a recurrence of past abuses and scoring those acts which limit enterprise and assume that officers and directors of insurance companies must be regulated like pieces of machinery. At the New York meeting he grouped the legislation as follows: directors, agents, misrepresentations, policies, disbursements, valuations, securities, publicity and limitations. The change in directors, he believes, should have been undertaken less violently so as not to invite greater evils and greater disasters than those from which relief was sought. Standard policy forms, he holds, contain nothing new, and on the average the companies were offering better contracts as a result of competition. Valuations by the new law are not as conservative as the practice of the leading companies had been. The law compelling companies to sell securities, legally bought, within a given time, he believes to be not only wrong in principle, but unconstitutional. As to limitation of new business he is strongly opposed, regarding it as a colossal economic error, while in connection with the expense limitation he says: "I am opposed to a law which, between the limitation which it fixes on cost of new business and the limitation which it fixes on total expenses, leaves opportunity for endless extravagances." The contingency reserve limitation also comes in for condemnation. On the whole his arguments are incontrovertible and should receive serious consideration at the hands of the legislature. Two years have passed since the Armstrong investigation and it is now time to calmly consider the effects of the legislation passed in a period of public clamor. Governor Hughes has appointed a commission of experts to revise the banking laws of the State of New York, and he will only be consistent if he gives life insurance the same opportunity to bring the insurance code into harmony with practice and experience.

THE Health Department of New York issues a statement showing that cases of grip have been on the increase during the changeable weather of the past few weeks. Damp, cool, penetrating weather, followed by a crisp, cold atmosphere, tend to increase and aggravate the grip cases. Last year the total number of deaths from this disease was reported as 116, while for the eleven months of 1907 there have been 245 deaths. But this is not the worst feature of the grip disease, for persons suffering from other causes are very susceptible to changes of temperature, resulting in grip, and increasing the number of fatalities in such diseases as pneumonia, consumption, influenza, measles, scarlet fever, etc., the number of deaths from each of these diseases showing a large increase over those of last year. Physicians urge the greatest caution on the part of every one to avoid exposure, to dress warmly, to eat sparingly, and keep free from excitement and overheating. The Health Department predicts that this will be one of the worst seasons ever known for grip. In addition to taking the prescribed precautions to prevent sickness, every prudent person should provide for himself a policy of health insurance, which will indemnify him for losses that may come to him as a result of sickness. All persons are liable to be so afflicted, and a policy of health insurance is a great comfort to one who is losing time and opportunities by reason of absence from business.

A SOUTHERN fire insurance agent, who advocates a flat commission of fifteen per cent plus a contingent commission of ten per cent, figures out that this system would average 17.50 per cent for the whole country as against an average of 22.85 per cent in 1906. In the course of his argument, he says:

> We have never had a satisfactory explanation why an agent in one State was paid on a continuous and uniformly profitable business a half less than an agent in an adjoining State is paid on a continuously unprofitable business. It has been my privilege to ask this question of prominent company officials, and none have yet attempted to justify it, nor have they given satisfactory answers.

The commission question is one of the most difficult ones arising from the practical conduct of the fire insurance busi-

ness. It is natural for company managers to desire to curtail the commission and other expenses as much as is consistent with the best good of the business. Varying circumstances in different fields have brought about the establishment of various bases of compensation for agents, and it is quite possible that some of the company officials who have participated in the solution of the problems of the last three or four decades could present reasons for the differing commission rates which would cause them to be considered less unfair than they superficially appear to some agents. If "preferred" business should be done away with, and every class be made to carry itself, one incentive to abnormally high commissions would be eliminated. It is possible, also, that a commission contingent upon profits would induce a more careful selection of risks, which would operate to keep the poorer ones off the companies' books entirely, and would thus tend to bring all classes closer to a common standard of profit. The desire among agents for a contingent commission seems to be steadily growing, and the companies will soon have to either show the undesirability of that plan of remuneration or grant the agents some modification of the existing commission standards.

THE effort on the part of the State's attorneys in Missouri to prove an unlawful combination among the fire insurance companies or their agents, is meeting with little success. They have elicited testimony to the effect that, although the agents were instructed not to report business below the Waterworth estimates, there were very few instances in St. Louis in which such rates were actually obtained, or insisted upon by the companies. In the interest of sound underwriting and safe insurance, it would be a good move for the legislature of Missouri to reverse its tactics and require the fire insurance companies to charge sufficiently high rates to insure continued solvency, and to prohibit discrimination between risks of equal hazard, as it does with the life insurance companies.

"NIGHT RIDERS" have become a serious fire hazard in Kentucky, where opposing factions in the tobacco business have clashed, with the result that a number of tobacco barns have been fired by armed and masked mobs, and the militia has been called out to preserve order. Considerable insurance has already been involved, and underwriters are wondering whether the trouble will soon cease, or whether it would be advisable to cancel off of such risks. As the authorities have appeared to be powerless to oppose the actions of the mobs, perhaps the companies would escape liability under their policies, on the ground that the losses were caused by "riot," "civil commotion," or "usurped power."

City underwriters have been shocked by the revelations of scandal in the Brooklyn fire patrol. The action of the patrol committee, in discharging a number of the men, is commended. The good faith and honor of the supporting underwriters is involved in the proper conduct of the patrolmen at fires and after the fires. Repeatedly insinuations have been heard that looting damaged premises is a common occurrence, but investigations have failed to bring to light any evidence of dishonesty. In both cities sufferers by fire, who are practically turned out of their own premises by the patrol and firemen, are at their mercy if property is purloined.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

The pattern clause question in the Exchange threatens to become a source of undue perplexity. Upon an elaborate statement, prepared by the manager a month ago, the rate committee recommended that the pattern clause which had been in use for seven years, and all the rulings referring thereto, be rescinded. This recommendation was adopted with only two or three negative votes. It soon developed a hornet's nest among the companies when the brokers bore down upon them with demands that the specific pattern clause (limiting the amount applicable to patterns to ten per cent of the face of the policy) be eliminated. Probably one-third of the companies rebelled and refused, notwithstanding the action of the Exchange. At the meeting of the Exchange last week, the clause adopted in November was wiped out and the former clause and ruling restored, to take effect immediately. This motion was introduced by an English manager, and it is undeniable that there was nobody on the floor ready to answer the reason given for the restoration. It passed, with a second resolution to refer the subject to a select committee, with a view to further action, if deemed necessary to make the clause clearer and less troublesome in loss adjustments—as that appeared to be the only reason suggested for its elimination. The question was sprung upon the Exchange without notice.

We are surprised to learn that there were several hundred policies of the National Mutual in force here at the time of its failure. The brokers in this city appear to have found the company a liberal writer upon risks all over the United States, and one of the developments is the discovery that policies on risks on the Pacific Coast were written in this city and in Chicago.

The Exchange has amended its rules for the government of fibre storage stores so as to increase the protection and eliminate the dangerous features. The principal cotton warehouses are now equipped with automatic sprinklers, but the inspectors are compelled to call the warehousemen to order frequently, because the method of piling cotton tends to reduce the efficiency of the sprinklers in the beginning of a fire. The Cotton Exchange is co-operating with the underwriters in all matters to reduce the fire danger.

The collections of December 10 were quite prompt, but the brokers complain that they have been obliged to advance a larger proportion of the overdue premiums than for some months. Brokers whose bills are large feel the pressure far more than the little fellows, but they are better able to stand it. When the trade suffers from slow payments and the bills of some of the largest mecantile firms are not paid until after they are due, it is not strange that fire insurance premiums should fall into the delinquent list. The appeals for an extension of time are fewer in number than in November.

Rumors of agency changes are still in the air, but are usually traceable to young men connected with brokers' offices, to whom a query is as important as an official declaration.

It is noticeable that the number of affidavit risks, according to returns from Albany, has diminished in the last six months. The great feeders for the surplus line companies which operate from this city is the country risks, extending from Canada line to the Gulf, and East and West. The lines on elevators, stockyard and cotton sheds are continuous and the premiums are considerable. But surplus lines on strictly city risks outside of the Sixth avenue department stores are rapidly disappearing.

Francesco Rogo, a grocer at 149 Navy street, Brooklyn, was caught in the act of firing his store early Monday morning. He had a $1000 policy of insurance, and was equipped with some "Black Hand" letters threatening to burn his place.

The year-end losses are coming on with increased pace, and there is a widespread anxiety among the offices lest a worse condition shall come to pass. The scare about investments has subsided largely, and the fire companies have almost unanimously concluded they must make returns of their bonds and stocks in conformity to the values current December 31. What we are likely to see when the statements appear

is a variation in values dependent upon the source of the information. This variation, however, has always been in evidence in the annual statements, and is unavoidable without concert or agreement. The conditions are rather more favorable now than a month ago.

The New York Board of Trade and Transportation recently unanimously endorsed the revised building code, now in the hands of the Board of Aldermen, and urged its speedy adoption.

Willard S. Brown & Co. have transferred the Brooklyn agency of the Pennsylvania Fire to Edward B. Vanderveer.

M. A. Gladding, loss clerk of the German American of this city, has gone with Wallace Reid to take charge of the loss department of that agency.

William J. W. McWhinney, who has been associated with the Banta agency for the past seven years in charge of renewals, has associated himself with the city underwriting department of the North River Fire.

The regular meeting of the Insurance Society of New York was held on Tuesday evening last, at the society's rooms, 16 Liberty street. The guest of the occasion was Henry A. Fiske, manager of the special risk department of the Phœnix of Hartford. He gave a most interesting and instructive address on "Causes of Fires in Manufacturing and other Special Risks."

BOSTON AND VICINITY.

The Home of New York has opened a branch office in Boston, under the management of Wetherbee & Simmons, as general agents. This company, for several years, has been represented by the agency of Geo. O. Carpenter & Son. S. A. Smith, A. A. Longley and A. W. Hollis, who have, for a number of years, been connected with the Carpenter agency, go with Wetherbee & Simmons.

It is also announced that, in accordance with arrangements made by Mr. Carpenter several years before his death, the business of Geo. O. Carpenter & Son will be continued by the Associated Offices, composed of Field & Cowles, John C. Paige & Co., R. A. Boit & Co., and OBrion & Russell, the Carpenter estate to share in the profits for a term of years. The direct care of the business of the Carpenter agency will be in the able hands of OBrion & Russell, who will remove from their present offices on lower Water street, to 71 Kilby street. The present clerical force of the Carpenter agency, and the agency force of OBrion & Russell, will work together.

William T. Ulman, for the past eleven years with the agency of Geo. O. Carpenter & Son, has been admitted to partnership with Cyrus Brewer & Co.

The New England Insurance Exchange has readjusted the rates on dwellings in Bridgeport, Conn., and that city is improving its fire protection facilities and increasing its water pressure. On small private dwellings the rate is reduced from sixty to fifty cents per $100; on dwellings containing from three to six families, from seventy-five to sixty-six and two-thirds cents. In case, however, of larger dwellings, the rate has been raised from seventy-five cents to $1.20.

The John C. Paige & Co. agency has removed into its splendid, large and well-ordered new quarters, comprising the two buildings at the corner of Water and Kilby streets.

The Boston suburban agents have held their first meeting for the purpose of effecting a permanent organization. The temporary organization has Herman Bird of Cambridge as chairman, and A. S. Devear, Cambridge, secretary.

The membership is limited to duly commissioned agents of fire insurance companies for the territory under the jurisdiction of the board, and resident therein, making fire insurance a principal business.

Counsel for the American Insurance Company of Boston has argued, before the Massachusetts Supreme Court, relative to the solvency of the company. It will be recalled that, after an examination of the affairs of the company some months ago, an injunction was ordered by the court, restraining the company from transacting further business. A master found the company solvent, but in his report to the court he excluded certain San Francisco claims aggregating something like $300,000, which the company had settled at forty per cent. It depends upon how the court considers these claims, as to whether or not the company is solvent.

The British America has transferred its agency from Geo. O. Carpenter & Son to Robert A. Boit & Co.

James H. Leighton, after forty-six years continuous service with the Hartford Fire Insurance Company, has resigned the special agency of that company, and will retire from business.

The Williamsburgh City has transferred its representation from Geo. O. Carpenter & Son to Kaler, Carney & Liffler.

NOTES FROM PHILADELPHIA.

Stone, Mathews & Co. are now agents of the American of Newark, succeeding Billington, Hutchinson & Co.

At the first annual meeting of the Pennsylvania Association of Mutual Fire Insurance Companies, held in Harrisburg on the 5th, forty-five companies from thirty counties were represented. Establishment of a bureau of statistics in the State Department of Insurance, passage of a law creating the office of fire marshal in all cities, and means to secure unity of plan and action were the principal matters discussed. Arthur Freeston of Philadelphia, who was elected secretary, read a paper on "How to Remove the Popular Feeling on Mutual Companies." He suggested that publicity be used and means to insure confidence be adopted, while statements against the companies be refuted with facts from the Insurance Department.

Hare & Chase have been appointed to succeed Trotter Bros. as second agents of the Capital Fire of Concord.

The business men of Atlantic City, N. J., have declared war upon the insurance "trust," because they feel that the rates charged there are unwarranted. It is claimed that the companies have been collecting $300,000 annually in Atlantic City for the past eight or ten years, while losses have averaged only $1800 a year. At a meeting last week of protesting insurants it was decided to join with the Business Men's League and form a limited mutual company, in order to force rates down. Has the great fire been forgotten so soon?

Seeler & Herkness have been appointed second agents of the Keystone Underwriters of Pittsburg.

Three big new fire engines, of what is known as the "first-class metropolitan" type, were tested recently in this city and accepted.

Arnold & Wannemacher become third direct reporting agents of the Humboldt Fire.

Insurance Commissioner Martin of this State will permit companies, in making their statements of the value of securities held among their assets this year, to use the valuations as placed upon such securities in the statements rendered to the Pennsylvania Department December 31, 1906.

Crittenden & Swope get the second agency of the Queen.

Mark H. Reeve has been appointed stamp clerk by the Philadelphia Fire Underwriters Association, succeeding Percy Ruth, resigned.

The following names have been added to the list of signers of the agreement of April, 1897; Billington, Hutchinson & Co., as agents of the Eagle Fire Company of New York, and Kendall B. Cressey, as agent for the Insurance Company of the State of Illinois.

Wm. L. Bradway has been appointed second agent for the Eagle Fire and the Pittsburg Fire.

A charter has been granted the Reliance Mutual Fire Insurance Company of this city. Thos. J. Nolan is president; Corwin A. Patton, vice-president; Charles E. Collins, treasurer, and C. W. Van Vleet, secretary.

—The police denial of an increase in burglaries and thefts in New York city do not agree with the experience of the burglary insurance companies, but the police retort that the losses of the companies are larger now than last year, because the number of policies has increased. This is an ingenious explanation, but it does not explain why the percentages have increased.

THE MIDDLE STATES.

—George M. Gallagher, an insurance agent of Washington, Pa., died recently of pneumonia.

—The Pennsylvania agents of the Guardian of Pittsburg and the Southern of New Orleans will report to Pittsburg after January 1.

—The Underwriters Association of New York State has elected the following-named officers: A. G. Martin, president; A. T. Lovett, Frank L. Curtis, vice-presidents; Charles K. Coit, secretary and treasurer.

—The Fire Insurance Society of Philadelphia will hold its annual dinner at the Hotel Majestic on Tuesday evening, January 21. The arrangements are in charge of a committee composed of Miles C. Young, chairman; Frank G. English, Jos. T. Sill, Wm. C. Gegler, E. A. McFarlan.

THE NEW ENGLAND FIELD.

—The Atlanta Home is applying for admission to Massachusetts.

—The new stock of the New Hampshire Fire ($100,000) has all been subscribed for, and final payments were made December 16. The company has declared its usual semi-annual dividend.

—According to the report of the engineers of the committee on fire prevention, the conflagration hazard of Berlin, N. H., is severe in the principal mercantile district, owing to the large number of frame buildings with shingle roofs, and structural weaknesses in the brick construction, together with the narrow streets, a weak fire department and a poor water distribution system.

THE WEST.

Ohio Jottings.

[From Our Own Correspondent.]

A well-known insurance man of Cleveland said, a few days ago, that the practice of fire companies of urging field men to secure big gains for each year they are in the State is tending toward rate-cutting and general demoralization. The men will do all they can to satisfy their companies with what they consider good business and, if they are pushed further, will be tempted to accept lines when shaved a trifle and to pass risks that normally they would not touch. He said that greed for business always foreshadows trouble of this kind and he had never seen it fail. The field men of Ohio, he said, are the best that can be secured and they should be allowed to use their judgment. There is not one of them who will not get all the acceptable business he possibly can without urging. The fact that a lot of new companies have entered the State within the past year or two, many of them paying high commissions, has resulted in taking business away from some of the old companies; but this can only be remedied in the course of time. This gentleman said that conditions in the State are bad enough now and the companies should not make it worse by pushing their field men too hard for more business. It may be said that the gentleman speaking is not a field man, but he has learned considerable by close observation in the past.

A wave of incendiarism seems to be sweeping over Ohio, several instances having occurred lately.

George E. Letcher, the wealthy Californian who was sent to the penitentiary some two years ago on the charge of burning property in Williams county, this State, a number of years ago, has been released on parole. O. M. C.

Cleveland, December 14.

—A valued policy bill is on the cards for Oklahoma.

—E. C. Ackerman of Fort Dodge, Ia., has been appointed Iowa general agent of the Lumber of New York.

—Peter Gundlach, president of the Washington Mutual Fire of St. Louis, died a short time ago of paralysis, aged seventy-three years.

—George Postel of Mascoutah, Ill., has been elected president of the Millers Mutual Fire of Alton, Ill., to succeed the late D. R. Sparks.

—W. J. Moran, special agent for the Gorham-Braden Company of Minneapolis, has been appointed special agent for the R. J. O. Hunter & Co. general agency.

—Water Commissioner Adkins of St. Louis has announced that plans are to be prepared soon for a new high-pressure fire-fighting system in the business district.

—Sherman Mott of Indianapolis, Ind., previously connected with the Manufacturers Mutual Fire of that city, has sent out circulars to Western managers of fire insurance companies doing business in Indiana, soliciting aid for a bureau he is promoting to fill the duties of a fire marshal, an office not yet created by the State.

—P. B. Jones, Michigan special agent of the Spring Garden, has been appointed Indiana State agent, succeeding J. O. Gable, who goes with the Aachen and Munich.

—Lee Hamlin, who recently resigned as Nebraska State agent of the Home of New York, has reconsidered his action, and will remain with the Home in the Nebraska field.

—As a result of investigations made by the Wisconsin State Fire Marshal, Bernard Hahn, a business man of Sturgeon Bay, has been bound over for trial on a charge of arson.

—According to advice from a local source, B. F. Loose, the trouble maker of Des Moines, failed to get a warrant issued by a justice of the peace against Edwin McIntire and "others."

—The Colorado Association of Local Fire Insurance Agents has elected C. W. Gill president; Charles T. Fertig, W. T. West, John Harbert, vice-presidents, and James B. Brown, Jr., secretary and treasurer.

—The Kansas licenses of the German of Indianapolis and the Commonwealth of Dallas have been revoked because of the alleged evasion of service of process, etc., in the anti-compact proceedings in that State.

—The Fire Insurance Club of Chicago has elected the following-named officers: George E. Haas, president; Thomas Cooper, vice-president; Newton L. Sample, secretary; E. S. Thompson, treasurer; Ed. Sweenten, librarian.

—Robert McElroy has filed a bill applying for a receiver for the Chicago local agency of Case, Nye, Shepherd & Bowden for the purpose of winding up its affairs. The agency ceased active business about three years ago.

—Otto O. Tollefson, president of the Northwestern Fire and Marine of Minneapolis, has withdrawn from the Gorham-Braden Company and started a general agency of his own. He has the Eagle and the National of Allegheny.

—C. F. Persch, secretary of the Illinois State Board, has resigned, and will organize an independent rating and inspection bureau, selling his tariffs to any companies that care to purchase. With Illinois added to the list of States having independent rating bureaus, Wisconsin and Minnesota remain the only States in Union territory operating on the old system.

—J. P. Buenemann, Minnesota special agent of the American of Newark outside of Minneapolis and St. Paul, has resigned as of January 1. G. A. Markey, an examiner in the company's Western department, has removed to Sioux City, and will handle the agencies in Nebraska and South and Southwestern Minnesota. H. W. Freeman of Minneapolis will look after the agencies in Central Minnesota.

—A. O. Almberg, a fire insurance broker, has been arrested in Chicago charged with obtaining money under false pretenses. It is alleged that he has been securing expired policies, erasing all the written portions with acids and filling in new descriptions and rates to suit the requirements of his customers over the signatures of the regular agents and pocketing the proceeds. He appears to have used the policies of some of the most prominent fire insurance companies in the country.

THE SOUTH.

Agreement at Washington, D. C.

During a recent conference of Union, non-Union and Washington, D. C., companies, an agreement was reached whereby matters in the above-named city, that have been in a more or less disturbed state for years, are expected to reach a satisfactory settlement. Under the terms of the agreement, membership in the Washington local board is to be restricted to sole agencies; each agent to have one vote, regardless of the number of companies he represents. A compromise was reached on the question of rates. The local companies wanted a forty-cent rate on dwellings, but all interests finally decided on thirty cents. The solicitors in future will be considered as brokers and will be paid commissions of twenty and thirty per cent. This limitation of commission will drive many so-called solicitors to give their whole attention to insurance or drop it. As a result the legitimate insurance man will be the gainer.

—The Seaboard Fire and Marine of Galveston, Tex., may enter Georgia with the new year.

—Godchaux, Shelby & Mioton, Ltd., of New Orleans have changed their name to Godchaux & Mioton, Ltd.

—The agents of the St. Paul Fire and Marine in Louisiana and Mississippi will report direct to the home office after January 1.

—Frank P. James, the newly elected Auditor of Kentucky, announces that C. M. Barnett will be fire marshal under the Insurance Commissioner.

—Dillard & Jordan, general agents at Florence, Ala., have been appointed Alabama State agents of the Spring Garden, taking effect from January 1.

—President F. W. Offenhauser and Secretary H. H. Putnam, of the National Association of Local Fire Insurance Agents, expect to call a meeting of Texas

local agents at Waco some time during the latter part of January or early in February for the purpose of organizing a State association. After the Waco meeting, Oklahoma will be tackled.

—The Virginia Field Club has elected the following-named officers: President, Oliver H. King; vice-presidents, H. Y. Chatterly, Holmes Cummins; secretary, William R. Robins.

—Ulysses S. Bell, for four years past an electrical inspector of the South-Eastern Tariff Association, was drowned recently while duck shooting on the St. Johns river, near Jacksonville.

—The Georgia Fire of Cedartown, Ga., will shortly apply for membership in the South-Eastern Tariff Association. It is rumored that the company may remove its head offices to Atlanta.

—The agents of the Guardian of Pittsburg and the Southern of New Orleans in Georgia, Alabama, the Carolinas, Texas, Arkansas and Oklahoma will report, after January 1, to New Orleans.

—Frank Clark, special agent of the Florida Home, has accepted the special agency of the Pennsylvania Fire and the Fire Association for Louisiana and Mississippi, under Manager W. E. Chapin.

—Charleston, S. C., is the first Southern city to adopt the building code recommended by the National Board of Fire Underwriters. Measures are now being put into effect to carry out its provisions.

—It is considered highly probable that a bill will be passed by the next legislature of South Carolina providing that all mutual fire insurance companies doing business in that State shall deposit $10,000 with the State Treasurer to guarantee the payment of losses.

—From January 1 all agents of the Hanover Fire in Tennessee will report direct to the home office at New York. D. Cliffe Stone will retire December 31 as Tennessee general agent of the company, and that territory will be looked after by Special Agent Drake, in addition to Kentucky and West Virginia.

MISCELLANEOUS FIRE NEWS.

Committee Appointments by the National Agents Association.

President F. W. Offenhauser of the National Association of Local Fire Insurance Agents announces the appointment of the following committees:

Executive Committee.—James P. Thomson, Minneapolis, chairman; Charles F. Wilson, Denver, Col.; Chas. B. Alexander, Clarksburg, W. Va.; Knowles Myer, Pensacola, Fla.; A. W. Mills, Pine Bluff, Ark.; W. L. Hatch, New Britain, Conn.; B. F. Rogers, Chicago, Ill.; E. E. Shipley, Cincinnati, Ohio; D. F. Collingwood, Pittsburg, Pa.

Joint Conference Committee.—C. H. Woodworth, Buffalo, N. Y., chairman; J. W. Carter, Owensboro, Ky.; D. R. McLennan, Chicago, Ill.; A. W. Neale, Cleveland, Ohio; R. F. Manly, Birmingham, Ala.

Committee on Legislation.—George D. Markham, St. Louis, Mo., chairman; W. F. Train, Savannah, Ga.; Thomas L. Conroy, San Antonio, Tex.; F. E. Alfred, Newport, Vt.; E. C. Roth, Buffalo, N. Y.; B. F. Kauffman, Des Moines, Ia.; Horace N. Smith, Terre Haute, Ind.; Walker Taylor, Wilmington, N. C.; Fred Guenther, Detroit, Mich.; Merwin Jackson, Toledo, Ohio; A. F. Barbour, Yazoo City, Miss.

Grievance Committee.—J. H. Southgate, Durham, N. C., chairman. Arkansas: Owen Kennedy, Fort Smith; Connecticut: John C. North, New Haven; Florida: Sumter L. Lowry, Tampa; Georgia: W. D. Griffith, Macon; Illinois: L. G. Smith, East St. Louis; Indiana: A. L. Jenkins, Richmond; Iowa: Geo. H. Henderson, Waterloo; Louisiana: Edwin Shelby, New Orleans; Massachusetts; F. S. Hamlin, Haverhill; Michigan: H. R. Verner, Detroit; Minnesota: Jacob Stone, Minneapolis; Mississippi: W. M. Petsot, Greenwood; Montana: T. J. Bouton, Billings; Nebraska: George H. Palmer, Omaha; New Hampshire: E. L. C. Merrill, Concord; New York: Martin E. Wollf, Rochester; Ohio: Charles W. Bryson, Columbus; Pennsylvania: Frank R. Loib, Harrisburg; South Carolina: P. T. Hayne, Greenville; Vermont: Linn D. Taylor, Brattleboro; Virginia: W. L. Powell, Newport News; West Virginia: Joel A. Shrewsbury, Parkersburg; Wisconsin: Walter Hartshorn, Waukesha.

Edmund Yerger of Jackson, Miss., will act as chairman of the Cotton Conference committee.

—Washington Irving of San Francisco has been appointed California general agent of the Washington Fire.

—The Dubuque Fire and Marine contemplates entering California, and will be represented at San Francisco by J. M. Sears (formerly of Cincinnati) as general agent.

—Two years from January 1, 1908, is the date set by the San Francisco supervisors joint fire and judiciary committee, when all wooden structures in the fire limits of that city must come down.

—Governor Gillett of California has appointed the following committee to look into and revise the present insurance laws of that State and to prepare a standard form of fire policy: E. Myron Wolf, W. J. Dutton, Percy C. Morgan, F. W. Van Sicklen, A. W. Wright, E. R. Lillienthal.

—Taxpayers' actions have been brought by Richard A. Gray, of the town of Union, N. Y., against the Ætna Indemnity, the Fidelity and Deposit. A. W. T. Back, former clerk of the Broome county board of supervisors, and custodian of county buildings; David B. King, former county treasurer, and the county of Broome, to recover nearly $500,000 said to have been illegally expended by Back and King in their official capacities. Back is now out on bail under seven indictments charging forgery and grand larceny, in connection with county expenditures for good roads.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

On Saturday last there was a hearing before Judge Ward in the United States Circuit Court on the motion of William Hepburn Russell, counsel for J. C. Robinson, to make permanent the injunction issued by Judge Hough restraining officers of the Mutual Reserve from voting proxies held by them to enact certain proposed amendments to the by-laws.

Archibald C. Haynes, president of the Mutual Reserve, has issued this statement in defense of the company:

The Insurance Department of the State of New York has just finished an examination of the Mutual Reserve Life Insurance Company, and we are in the midst of a controversy with the Department at this time because their examiners have not only introduced methods of valuation which I am advised by eminent counsel are without any authority in law, but have reduced the value of our real estate holdings and the leasehold of our home office building to ridicuously low figures. We expect within the next few days or weeks to convince the Superintendent of Insurance and all others interested that the Mutual Reserve is in a sound condition.

Our actuary claims that we had a surplus of $300,000, in round numbers, on August 31 of this year. I believe that our position is better to-day than it was on that date. As my connection with the company only dates from last May, and as I had had 25 years' insurance experience previous to that time in old line companies, I believe I would be derelict in duty if I did not express my personal conviction that this company can be continued on lines that will be advantageous to the interests of all policyholders.

On Monday of this week Justice Dowling, in the criminal branch of the Supreme Court, adjourned indefinitely the trial of John R. Hegeman, president of the Metropolitan Life, for perjury, in order to allow an appeal to the Court of Appeals from his recent decision in dismissing the seven forgery indictments against Hegeman and sustaining the three perjury indictments. The court announced that the Hegeman forgery cases were substantially the same as those of George W. Perkins, Charles S. Fairchild and Robert A. Grannis, and that the perjury indictments against the latter three would have to stand or fall with the Hegeman indictments. The importance of having a final decision on these cases led the court to allow an appeal to be taken before the order dismissing any of the indictments was entered.

On Thursday of last week John J. Coyle, acting for himself and the other members of the Philadelphia syndicate which negotiated with the Thomases for the purchase of the Provident Savings Life and the Western Ice Company of New Jersey, secured an attachment on the property and cash deposits of Edward R. and Orlando F. Thomas in the Consolidated National Bank, the Mercantile National Bank, the Hudson Trust Company, the Mechanics and Traders Bank, all of New York, with Robert MacLay & Co., and in the hands of Edward Lauterbach. The amount involved is about $470,000. The attachment was granted by Justice Truax and follows the suit now being brought by the above named syndicate to recover from the Thomases $1,150,000 for failure to deliver 1056 shares of the Provident Savings and $1,000,000 in bonds of the ice company. Coyle claims that the statements made as to the Provident Savings' finances, on Dec. 31, 1906, and on Sept. 4, 1907, were not as stated by the Thomases.

Superintendent of Insurance Kelsey gave the Mutual Reserve another hearing in connection with the report on its examination on Monday and the company was allowed until the end of this week to submit depositions or affidavits. The policyholders' meeting to amend the by-laws is still prevented by injunction proceedings.

BOSTON AND VICINITY.

The life companies are now engaged in the preparation of new policy forms to be issued after the first of the year, and designed to conform to the new requirements of supervision.

Attorney-General Malone has rendered the following opinion at the request of Insurance Commissioner Hardison:

My opinion is requested by you on the question whether certain disability provisions in contracts of insurance issued by the Ætna Life Insurance Company and by the Travelers Insurance Company are in violation of Statutes 1907, chapter 576, section 34. This section provides that—

"Contracts of insurance for each of the classes specified in section thirty-two shall be in separate and distinct policies notwithstanding any provision of this act which permits a company to transact more than one of said classes of insurance."

Section 32 provides that ten or more persons residents of this Commonwealth may form an insurance company for any one of twelve purposes specified, among which are—

"Fifth. To insure any person against bodily injury or death by accident * * * and to make insurance upon the health of individuals."

Section 34, in another place, provides that certain of the twelve classes of insurance mentioned in section 32 may be conducted by a company which is also doing others of the said classes.

None of the classes refers to life insurance, which is provided for in sections 66 to 82, inclusive, but the clauses about which the question is raised are each inserted in ordinary life insurance policies. In one of the policies the provision is that upon total and permanent disability the company agrees to pay the premiums on the policy already in force. Under the other provision the company agrees upon permanent and total disability to pay the insured either one-twentieth of the sum and the same amount annually thereafter until the entire sum insured has been paid, or an annuity fixed by the table attached. Neither requires the further payment of any premiums.

Several questions arise—First, whether these provisions amount to the transaction of accident or health insurance under the provisions of section 32 above quoted; and, second, if they do, whether section 34 prohibits the insertion of such provisions in a policy of life insurance.

In my opinion both these questions must be answered in the affirmative. The assured, under the provisions of these clauses, certainly receives a benefit from the company upon total and permanent disability. In one case he is relieved from the requirement of paying further premium in order to keep his policy alive, and in the other case he has the option of receiving certain annual payments in lieu of all other claims against the company.

It does not appear clearly from the statements of the companies' representatives whether or not an additional premium is charged to policyholders who take out policies with these clauses inserted, over those who do not have such clauses, but this appears to be the case. Consequently, I am of opinion that this amounts to the transaction of health and accident insurance. This being so, I think that these clauses cannot be inserted in life insurance policies under the provisions of section 34. Although that section undoubtedly refers to the classes of business mentioned in section 32, it does not provide that contracts of insurance for each of those classes shall be in separate and distinct policies from each other, but that they shall be in separate and distinct policies. I see no limitation intended by the statute to exclude life insurance policies from the effects of the prohibition. The further phrase in section 34, which says that this separation shall be carried out "notwithstanding any provision of this act which permits a company to transact more than one of said classes of insurance," it seems to me, was put in in order to show that the fact that the companies might transact several sorts of insurance was not overlooked, and had no tendency to indicate that the legislature desired to permit any of the classes mentioned in section 32 to be combined in one policy with life insurance.

Consequently, I am of opinion that neither clause should be allowed in a policy of life insurance.

Governor Guild's council has confirmed the appointments of C. W. Fletcher, to be deputy Insurance Commissioner of Massachusetts, and of L. G. Hodgkins, to be examiner, succeeding Mr. Fletcher. These promotions meet with the hearty approval of all who know the two gentlemen.

NOTES FROM PHILADELPHIA.

Officers of fraternal and beneficial societies are much perturbed because of the recent opinion given by Auditor-General Young, that the invested funds of such organizations may be taxed by the State in the same manner as private personal property. The tax rate is four mills on the dollar, and as the invested wealth of all the beneficial societies of the State is estimated at more than $15,000,000, the tax would be a heavy drain on the funds.

The James B. Carr & Sons agency has been appointed Eastern Pennsylvania manager for the North American Life of Newark, N. J.

The Abraham Lincoln Mutual Life has secured new quarters for its home office on the second floor of the building located at the southwest corner of Eighth and Chestnut streets.

The annual meeting of the stockholders of the Philadelphia Casualty will be held at the offices of the company, in the Fidelity building, on Wednesday, January 15, 1908, at four o'clock.

AMERICAN STATISTICS OF ACUTE DISEASES.

BY FREDERICK L. HOFFMAN.

Some very interesting statistics of acute and chronic diseases in the State of Massachusetts have been recently published in abbreviated form in a bulletin of the Bureau of Statistics of Labor. They furnish the first substantial contribution to our knowledge of the actual extent of acute and chronic diseases among the population of a representative industrial section of the United States. While the value of the data is in a measure impaired by the brevity, the tables throw much light upon an almost neglected field in social statistics. The information was collected as part of the State census of 1905, and the inquiries were based upon special rules prepared by Dr. Herbert B. Lang of Boston. It is to be hoped that the preliminary returns will be amplified in a final report, the publication of which should not be unduly delayed. For life and accident insurance purposes, particularly for the transaction of sickness or health insurance, and the consideration of old-age pensions, the data will be found very useful and suggestive.

At the outset it is necessary to state the definition of acute diseases for the guidance of census enumerators as follows:

"Acute Diseases—In this class are included persons suffering from a disease, generally violent and coming to a crisis quickly, such as diphtheria, scarlet fever, measles, smallpox, etc. It is usually the time afflicted rather than the nature of the disease that supplies the distinction between acute and chronic diseases and allows a proper classification."

It is explained that doubtful cases were given separate consideration and that in many instances decisions were reached only after taking into account all the accompanying data. The chief difficulty in exact definition was in cases of bronchitis, Bright's disease, cystitis and nervous shock, which might be either acute or chronic. Another difficulty met with was rheumatism, in which it was often hard to tell whether the case was acute, articular or chronic. The difficulties of the problem are so exclusively medical that a question of doubt may be raised as to the accuracy of the returns in minor instances, but on the whole the work appears to have been done with a reasonable consideration of practical requirements.

In the aggregate there were 4170 cases of acute diseases, including accidents. It would probably have been much better if accidents, and in particular surgical operations, had been separately considered, being neither strictly acute or chronic diseases in the generally accepted definition of these terms. There were 674 accidents and 229 cases of acute diseases with complications, of which 42 were both acute and chronic. Of acute diseases, including accidents, 2104, or 50.5 per cent, received hospital treatment, and of this number 899, or 21.6 per cent, were surgical cases. The more important acute diseases, with distinction of sex, were as follows:

ACUTE DISEASES IN MASSACHUSETTS—1905.

Classification.	Males.	Females.	Both Sexes.
Abscess	33	44	77
Appendicitis	122	168	290
Bronchitis	29	39	68
Cancer (operation)	9	48	57
Diphtheria	107	122	229
Erysipelas	29	21	50
Eye (27 different affections)	41	21	62
Heart disease	19	12	31
Hernia	55	12	67
LaGrippe	27	34	61
Malaria	29	22	51
Measles	52	89	141
Meningitis	49	41	90
Mastoiditis	16	14	30
Mumps	19	15	34
Pleurisy	28	20	48
Pneumonia	196	166	362
Pneumonia, complicated	19	7	26
Rheumatic fever	105	98	203
Scarlet fever	130	136	266
Typhoid fever	76	48	124
Whooping cough	34	40	74
Miscellaneous (about 75 diseases)	395	660	1,055
Totals	1,619	1,877	3,496

The table is self-explanatory and requires no extended comment. The inexpediency of including surgical operations among acute diseases is emphasized in the case of cancer, which is certainly a typical

chronic disease, in which the operative cases, of which there were fifty-seven, are classified as acute. It would also have been advisable to have given the group of miscellaneous acute diseases in more detail. The most acute diseases, in the order of their numerical frequency, were pneumonia, appendicitis, scarlet fever, diphtheria, measles and typhoid fever.

While the report gives only the actual data of disease occurrence, it is possible, upon the basis of the census of 1905, to calculate the relative frequency of acute diseases in proportion to the corresponding numbers living. It is to be hoped that in the final report the necessary rates will be calculated to establish with accuracy the incidence of diseases among the different elements of the population, with a due regard to sex, age and occupation. Upon the basis of the population as returned by the census of 1905, the rate of acute disease frequency, excluding accidents, was 1.07 per thousand for males, 1.19 per thousand for females, and 1.13 per thousand for both sexes combined. For accidents only the rate of frequency was 0.31 per thousand for males, 0.13 per thousand for females, and 0.22 per thousand for both sexes.

The accident returns are not given in detail except as to fractures. Of the 674 accidents enumerated, 335 were miscellaneous injuries, while the remainder were fractures, chiefly due to the following causes: fractures of the leg 116, of the arm 45, of the hip 43, of the ankle 25, of the femur 24, of the ribs 21, of the wrist 14, of the foot 12, and of the skull 8. Conclusions based merely upon the actual facts enumerated, without reference to the corresponding population, are necessarily liable to serious error. In a general way, however, it is true, as pointed out in the report, that " a comparison of the distribution between the sexes of the diseases and of the injuries shows a direct opposite. More than twice as many men as women receive injuries, while about one-sixth more women than men were afflicted with disease. This simply means that men are rather more resistant to attacks of acute disease than women, but on the other hand, on account of greater exposure, are more liable to injury from accident." Such a statement, to be strictly accurate, should, as a matter of course, be based upon the number of persons actually exposed to risk and not merely upon the number of acute diseases or accidents enumerated.

A very useful table is included in the report, showing the acute morbidity, including accidents, by age periods, separately for each sex. Since the mere enumeration of such facts would have a very limited practical value, I have estimated the living population at corresponding periods of life in 1905 upon the basis of age distribution of the census of 1900, and in abbreviated form the results are as follows:

ACUTE MORBIDITY IN MASSACHUSETTS—(ACCIDENTS INCLUDED).

Ages.	Males.		Females.	
	No. of Cases.	Rate per 1000 Living.	No. of Cases.	Rate per 1000 Living.
Under 16	732	1.55	648	1.37
17–29	409	1.11	451	1.10
30–49	557	1.30	556	1.28
50–69	310	1.67	319	1.53
70 and over	71	1.75	97	1.83
All ages	2,081	1.38	2,089	1.32

This table shows a slightly higher relative degree of acute morbidity at all ages among males than females below seventy, and a slightly lesser rate for males at ages seventy and over. The rate rapidly falls during the period seventeen to twenty-nine, then gradually increases to the end of life. There is so much conformity between the rates for the two sexes that the table sustains the opinion that the investigation was reasonably complete and that it may safely be accepted as accurate for the population considered.

The report concludes with a table of acute diseases by occupations, which unfortunately does not show either the frequency of such diseases by periods of life nor from specified or important causes. It serves no practical purpose to give such a return by nativity, which has no material relation to the morbidity in particular employments. The table, to have been of value, should have shown the nature of the diseases and accidents among the different employments, according to specified periods of life. In view of the increasing attention which is being given to diseases of occupations, and the recent investigations by the State Board of Health of Massachusetts into the sanitary conditions of factories and workshops, an accurate statement of the acute morbidity, by important employments and in proportion to the numbers employed, would have served a very practical purpose, not only of interest to insurance companies but even more so to the public at large.

THE MIDDLE STATES.

—George H. Parker, who has been conducting a general agency for the Connecticut Mutual Life for the past two or three years in Brooklyn, N. Y., is meeting with much success in building up his agency force. Mr. Parker attributes the popularity of his agency to the very complete system he has of helping his producers attain the best results.

—The Life Underwriters Association of Buffalo held its monthly meeting on December 13. A banquet was also given. Simon Fleischmann, a local attorney, was the principal speaker, and he attacked the crusade against insurance companies, claiming that legislation in that direction had been overdone. F. A. G. Merrill read a good paper on "The Value of Life Insurance Policies as Collateral and Quick Assets."

THE NEW ENGLAND FIELD.

—Louis R. Cheney of Hartford has been elected a director of the Phœnix Mutual Life.

—It does not seem to be generally known that ex-Commissioner of Insurance Cutting of Massachusetts retired and did not resign. At the last session of the legislature there was passed what is known as the old veteran law, providing a pension for those who have served the State for a certain period of years. As Mr. Cutting has been in service in various capacities for forty years, he is now the recipient of an annual pension equal to half the present salary of the office, viz.: $2500, the Commissioner's salary having been increased from $3500 to $5000 at the same session.

THE WEST.

—The Lafayette Life of Indiana is preparing to enter five States early next year.

—Fifteen insurance bills will be presented to the next Ohio Legislature by the State Insurance Commission.

—Robert B. Palmer of Middletown, Ohio, has been appointed agency supervisor of the Midland Mutual Life of Columbus, Ohio.

—The Inter-Ocean Life and Endowment Company of Kansas City will, immediately after the first of the year, proceed to reorganize on a legal reserve basis, with a cash capital of $100,000.

—The general agency of the Northwestern Mutual Life at Springfield, Mo., under P. W. Terry has been moved to Texarkana, Ark Mr. Terry is general agent for Arkansas and Southwestern Missouri.

—During the past week the Manhattan Life of New York, Massachusetts Mutual of Springfield and the Union Central Life of Cincinnati have notified their Wisconsin policyholders of their intention to withdraw from that State at the close of the year.

—The Columbus Mutual Life has sold most of its stock, and has taken offices in the Brunson building, Columbus, Ohio. The officers are: C. W. Brandon, president; D. H. Thomas, vice-president; George A. Peters, secretary; E. A. Reeder, treasurer; J. M. Sheets, attorney; S. C. Priest and W. B. Carpenter, medical directors.

—The Beacon Life, which was recently organized at Springfield, Ill., to operate on the assessment plan, has as its official staff: J. H. Osborne, president; C. H. Wineman, vice-president; R. Lee Jones, second vice-president; C. O. Bentley, secretary; Will C. Newton of Bloomington, Ill., assistant secretary; A. K. Ayer, treasurer, and C. E. Chamberlain, counsel.

—A committee of stockholders of the Mississippi Valley Life of St. Louis has reported that inasmuch as the organization cannot be consummated within a reasonable time, the plan be abandoned and the unexpended balances be returned to subscribers. The funds on hand amount to $90,580. The company proposed to have a capital stock of $150,000, with a surplus of equal amount. Total subscriptions of $178,500 were received, of which $108,300 was paid in.

—The Missouri Insurance Department, reporting on the Great Western Life of Kansas City, states that the gross assets are $306,137, and admitted assets $289,826, with liabilities of $330,355. The resulting impairment of capital is said to be due largely to the inclusion among the liabilities of $133,770 on the annuity certificates which, although they involve no life contingency, participate to the amount of 25 cents per $1000 on all business written by the company for fifty years. The company has taken exception to this item and has asked a rehearing, claiming that it is amending the annuity contracts outstanding.

—The Indiana Insurance Department has notified the Security Life of America, of Chicago; Majestic Life and Indiana National Life of Indiana that they must stop selling $5000 policies for a payment of $10, with the understanding that the

policy is to lapse at the end of the year unless the holder wishes to continue it at the regular rate. The State Auditor says in his letter to the companies: "Many of the policies sold by your company are participating policies, and the selling of the policies now at such low rates is a discrimination between your policyholders and a fraud upon those who paid full premiums for their policies. I regard this as an unlawful business and direct that you immediately cease writing insurance at rates lower than the fixed annual rates."

THE SOUTH.

—The South Atlantic Life is preparing to enter several States during 1908.

—The Texas Life will close the year with about $5,000,000 in force, and will extend its territory in 1908.

—The Post Office Department has issued a fraud order upon the Consolidated Order of Friendship, of Richmond, Va.

—The Insurance Commissioner of Texas has examined the Northern Life of Chicago, and expresses complete satisfaction with the methods of the company.

—The Lamar Mutual Life of Jackson, Miss., reports most satisfactory conditions during December. The month so far has been equal to any of the successful months of the company's history.

—The State Mutual Life of Rome, Ga., has written, from the beginning of 1907 up to December 1, $29,846,300, a monthly average of $2,713,300. On December 1 the company had in force $41,315,326.

MISCELLANEOUS LIFE NEWS.

Insurance Affairs in Great Britain.

[From Our London Correspondent.]

The appointment of J. Herbert Walton, F. S. S., as general manager for South Africa of the Mutual Life of New York is favorably commented upon here, and the opinion is expressed on all sides that, following his success in this country, he will be equally successful and popular in South Africa. Mr. Walton has been connected with the Mutual here for some twelve years, and succeeded Col. J. Harrison Hogge as London agency superintendent on the appointment of the latter to the position of general manager for the United Kingdom at the time D. C. Haldeman joined the North British and Mercantile. In recording this appointment one of the London insurance papers adds: "It is worthy of note that the Mutual has offices in Cape Town, which are probably the best buildings in that city."

In British insurance circles interest has lately largely centered upon new schemes—a not uncommon occurrence at this season of the year. Policies are offered covering, in one document, the risks of householders in respect of burglary, fire, domestic servants' compensation and plate glass. A new annuity prospectus is put forward by the Gresham Life office, the novel features in which are: (1) If the annuitant dies before he or she has received an amount equal to the price paid for the annuity, the annuity will be continued to the heirs until the whole of the purchase money has been returned; or, as an alternative, the remaining instalments may be commuted for an immediate cash payment of equal value. (2) If at any time prior to the return of the full amount of the purchase money the annuitant desires to revoke the contract, a cash surrender value may be claimed—the minimum sum receivable by him on surrender being the cash value of the instalments still required to complete the return of the purchase money. The cost of such an annuity is, as may be supposed, slightly in excess of what is charged for the ordinary form, but, judging from present indications, the scheme is likely to prove a popular one with the public. Another scheme which, if it does nothing more, must result in a good advertisement for the office putting it forward, is the "Identification" scheme of the Pilot Insurance Corporation. Briefly put, this consists in the issue by the company, in return for the small payment of one shilling, of an aluminum token and six adhesive labels bearing a number which is registered as that of the buyer. The token is for carrying upon the person, the labels for affixing to any articles of value, such, for instance, as a traveling bag, overcoat, umbrella, etc., and on receipt of an inquiry by the company as to the identity of the person in case of accident, or as to the owner of lost property, the required information is at once forthcoming. For a small extra payment accident insurance benefits may be secured.

Rumors of new companies have been, of late, more than ever plentiful; a result, no doubt, of the stimulus given to insurance business generally by the recent enactments with regard to employers' liability. The Mercantile and General Insurance Company, Ltd., was recently registered in Edinburgh, with a capital of £100,000 in £1 shares, to operate upon non-tariff lines, and to make a special feature of workmen's compensation and accident business. A most interesting new venture has just beeen registered under the title of the "Workmen and General Insurance Society, Ltd.," which also has an authorized capital of £100,000, and is to operate as a non-tariff fire and accident office. F. H. Haines,who was the first secretary to the Association of Insurance Brokers and Agents, is manager, and the undertaking is closely associated with the Car and General Insurance Corporation, a young, but particularly vigorous institution. Some original and striking innovations—in which monthly and weekly premiums will figure largely—are promised by the new-comer; and there is no reason to doubt that it will prove as good as its word. Charters.

London, E. C., December 9, 1907.

—David Parks Fackler and Edward B. Fackler, consulting actuaries, of New York, state that this has been an exceptionally busy and satisfactory year for them.

Casualty, Surety and Miscellaneous

American Bonding Company Wins Suit.

The American Bonding has won in its suit against the Merchants and Farmers Bank of Milledgeville, Ga., to recover $30,000 which the American paid upon the bond of C. H. Trautman, cashier of the bank and treasurer of the board of trustees of the State sanitarium.

It was charged that the bank induced Trautman to secure the latter position in order that it might obtain the use of a large fund coming to Milledgeville for the use of the sanitarium. Also that Trautman had become indebted to the bank and that when the books of the bank were examined it was discovered that he had used the State fund left with him, as treasurer of the sanitarium, to pay his debt to the bank so as to save it. The company therefore contended that the bank was responsible for the amount.

Government Contract Bonds.

Speaking of the hazardous nature of government contract bonds, the Title Guaranty and Surety says:

It is remarkable how little is generally known of the heavy losses sustained on work let on competitive bid systems by the various departments of the United States Government. Surety underwriters ought, perhaps, to let it be more generally known that this line is a most hazardous one to bond, and we are perfectly frank in saying, that it is, without exception, the hardest class of risks to secure reinsurance on. We have been coming more and more to view it as nearly prohibitive, and find many of our competitors viewing the line in the same light. A close analysis of the subject is warranted and we call on our agents to follow the subject carefully and warn our contractor customers of the dangers in this apparently attractive work.

Casualty Notes.

—E. A. Skinner has been appointed receiver for the Horsemen's Mutual Insurance Company of Elkhart, Ind.

—E. P. Fatch & Co. have been appointed general agents in Chicago for the Norwich and London Accident.

—The Mutual Accident Insurance Company of Indianapolis, recently organized, is said to have about run its course.

—The Equitable Accident Company of Boston is considering a proposition to reorganize on a stock basis with $100,000 cash capital.

—August Rebhan of Milwaukee has been appointed Wisconsin State agent for the Casualty Company of America, succeeding the Citizens Trust Company, resigned.

—The Great Western Accident of Des Moines has found the dollar-a-month department so successful that this feature of the business will be extended to its entire field.

—The Massachusetts Mutual Accident Insurance Company celebrated its twenty-fourth anniversary December 9, and the agents again showed their appreciation of the management by sending in a goodly amount of

new business. This institution now has an annual income of about $200,000 and its outlook was never brighter.

—The Supreme Court of Montana has upheld the constitutionality of the fellow-servant act in a suit of a railroad employee against the Northern Pacific for the loss of his left hand. The plaintiff was awarded $10,000.

—In referring recently to the advertising methods of the Pennsylvania Casualty, The Spectator spoke of the very attractive line of postal cards gotten out by that company as being the only cards of the kind ever issued by a casualty company. In making this statement there was no intention to overlook a series of very attractive advertising cards issued some time ago by the Maryland Casualty. It is well known that the two companies maintain advertising departments from which emanate many original and effective pieces of advertising literature, and it is only fair that they both receive credit for the excellence of the work done.

Surety Notes.

—The United Surety has secured new offices in Boston at 20 Central street.

—The Massachusetts Bonding and Insurance Company has entered New Hampshire.

—J. B. Nabors, general agent for the Fidelity and Deposit at Dallas, will turn over to the company premiums amounting to about $80,000 with a loss ratio of about five per cent.

—Joyce & Co., managers for the National Surety at Chicago, have secured the fidelity business of the Chicago and Alton Railroad. They have also renewed their Chicago, Burlington and Quincy line for five years.

—George Edwards, treasurer-elect of Mississippi, is having difficulty in securing his bond for $250,000, as he has no property to indemnify the surety companies in case of loss. Mr. Edwards has appealed to his friends.

—By a new law enacted in Colorado, every State bank official is required to give a bond to the State in the sum of from $5000 to $20,000 guaranteeing the faithful performance of their duties and insuring the funds of depositors.

—The American Surety, within a few hours of being advised of its liability under the bond guaranteeing the Pennsylvania State deposit in the Fort Pitt National Bank, which recently suspended, mailed its check for $30,065 to the State Treasurer.

—James F. Cavanagh has been appointed attorney for the Massachusetts Bonding and Insurance Company. Mr. Cavanagh is practicing law with Sawyer & Hardy, attorneys for the Employers Liability Corporation, and has a wide experience in insurance matters.

—The Ohio Supreme Court has rendered a decision to the effect that where the premium on a bond is paid in a lump sum, the bond shall cover the entire term for which it is written, but where the premium is to be paid in annual instalments, the contract becomes co-operative and may be terminated by non-payment of an instalment.

TOO LATE FOR CLASSIFICATION.

—The American Central Life of Indianapolis will, on January 1, go on a 3½ per cent basis.

—A large fraternal order advertises in another column for a young man who is a first-class auditor.

—On December 31 the Berkshire Mutual Life will retire its guaranty capital stock of $25,000, in order to comply with the new Massachusetts law.

—At the monthly meeting of the board of directors of the Central Accident, held December 10, the regular semi-annual dividend of four per cent was declared, payable January 1, 1908.

—On December 31 the Great Western Life of Kansas City will cease writing its special income policy. The Missouri Insurance Department has objected to this form, and the company now feels that it can well afford to discontinue this policy, although it has proved to be a very good seller.

—Jules A. Gauche of New Orleans, La., has established a fire insurance brokerage agency, and is located on ground floor, Perrin building, 904 Gravier street. His facilities for handling business are excellent, and he has been placing some of the choicest risks in that city, and is still at it.

—The Travelers Indemnity of Hartford has been admitted to Tennessee, and will engage in writing steam boiler and fly-wheel insurance; also insurance against liability for property damage resulting from the operation of automobiles. The company will be represented in Knoxville by E. J. Lutz, district agent; in Chattanooga, by George E. McGee, district agent; in Nashville, by Thomas Goodall, district agent, and in Memphis by Marx & Bensdorf, district agents.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, $7; book only, $5; monthly supplement only, $2 per annum.

Atlanta-Birmingham Fire Insurance Company, Birmingham, Ala.

Special Master John Slaton has made his report to Judge Newman, at Atlanta, Ga., indicating that the general creditors of the company will receive from 40 to 50 per cent of the amount of their claims.

Excelsior Fire Insurance Company, New York.

Attorney-General W. S. Jackson recently communicated with District Attorney Jerome, recommending action with regard to men connected with the affairs of the Excelsior Fire Insurance Company. In reference to the latter, the Attorney-General said:

"Your attention is called to the fact that by papers, proceedings and documents now on file in the office of the Superintendent of Insurance of this State, the crime of perjury and perhaps other criminal offenses appear to have been committed in the organization of the Excelsior Fire Insurance Company of New York, and that some at least of these offenses were committed within the county of New York in or about the month of August last."

Justice Betts of the Supreme Court, sitting at Kingston, N. Y., took up the case recently for a voluntary dissolution of the Excelsior. A decree will be submitted later vacating the appointment of Eugene V. Daly as receiver and dissolving the company, under court supervision.

Guardian Fire Insurance Company, Pittsburg, Pa.

An examination conducted by the Pennsylvania Insurance Department showed that on July 31, 1907, this company had $192,695 of admitted assets (after deducting $15,000 from the book value of real estate), a capital of $200,000, and a net surplus of $24,436. The examiners secured appraisals of the company's real estate by competent parties, and the valuation placed upon that in New York was $400,000, while the Pittsburg property was valued in the statement at $110,000.

Iowa Manufacturers Insurance Company, Waterloo, Iowa.

This company is planning to call in the $75,000 balance of its capital some time after January 1.

Merchants Mutual Fire Insurance Company, Topeka, Kan.

A license has been issued to this company by Insurance Commissioner Barnes. The officers are: F. M. Newland, president; H. A. Warner, vice-president; H. P. Packard, secretary; J. W. Thurston, treasurer, and E. A. Tyler, field manager.

Missouri State Mutual Fire Insurance Company of St. Louis.

The policyholders of this company, which reinsured all its business in the Phœnix of Hartford in February last, have asked the Missouri Insurance Department to rule on its right to impose an assessment on its former policyholders. It appears that unpaid losses amounting to $1800 has been discovered which had accumulated in the eighteen months prior to the reinsurance, and which were not assumed by the Phœnix.

National Mutual Fire Insurance Company, Omaha, Neb.

C. J. Collins of Little Rock, Ark., has been appointed Arkansas receiver of the National Mutual Fire. The company had about a million dollars of insurance in force in that State.

Northwestern Mutual Fire Insurance Company of Onondaga County, N. Y.

Attorney-General Jackson of New York has granted the application of George F. Slocum of Rochester for leave to bring action against the above-named company to restrain the directors from doing business. The application charged that the company was doing business in violation of law.

Arthur R. Cole was recently appointed receiver for this company by Justice Andrews at Syracuse.

Pawnee Fire Insurance Company, Oklahoma City.

L. E. Ellis and G. A. Holland, of the Anchor Fire of Des Moines, and the Southwest Underwriters Company of Oklahoma City are the dominant interests in this company. The capital is $100,000, and shares of $25 will be sold at par value. The president is E. J. Archinard; vice-president, L. E. Ellis, and secretary, G. A. Holland.

Peoples Fire Insurance Company of Frederick County, Frederick, Md.

The above-named company has been incorporated, with a capital stock of $100,000, by Charles C. Biser, Eli Charles Renn, R. Rush Lewis, Isaac M. Motter, Henry C. Remsburg, Emory L. Coblentz, Daniel C. Kepler, William W. Doub, Martin C. Coblentz, William B. Cutshall, Charles M. Shank, Abraham Hemp, Jr., J. Stewart Annan, J. Franklin Thomas and McGill Belt. The company intends to do a general fire insurance business, and will have its principal office in Frederick.

William Penn Fire Insurance Company, Pottsville, Pa.

A company bearing the above title is being organized by several leading bankers of Pottsville. The capital stock is $150,000.

The Spectator:

The Spectator, *established in 1868, is a weekly journal devoted to promoting the best interests of trustworthy insurance of all kinds. The subscription price for the United States, Canada and Mexico is Four Dollars per annum, postage prepaid. To all foreign countries in the Postal Union, Five Dollars per annum.*

The Spectator *has a larger circulation than any other insurance journal—and carries no "deadhead" subscriptions.*

THE SPECTATOR COMPANY, Publishers.

Clifford Thomson, President. Arthur L. J. Smith, Sec'y & Treas.

Telephone. { *231 John.* / *232 John.* Address, 135 William St., N. Y.

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The Spectator people may not be aware that in declining to distribute advertisements through the reading matter pages they are keeping the course originally marked out.* Formerly every insurance journal mixed reading matter with advertisements, The Spectator being the first to establish clean reading matter pages.—Insurance.

Our contemporary congratulates The Spectator on a course uniformly and consistently followed for a period of forty years.

THE ASSOCIATION OF LIFE INSURANCE PRESIDENTS.

THE recent meeting of the Association of Life Insurance Presidents is one of the hopeful signs of the times. It promises co-operation and harmony on the part of the managers of the life insurance companies in matters pertaining to the welfare of the business. It is many years since such harmony existed or since individual ambitions were subordinated to the general good. On the contrary, an overweening desire for bigness among the companies gave birth to envy, jealousy and internal warfare, to the neglect and even sacrifice of the object for which they existed. The interests of policyholders became secondary to personal ambitions in some cases, and there was more or less demoralization throughout the entire field. The companies thus became exposed to much criticism, some of it deserved and some unwarranted, with the result that continuous efforts were made to secure restrictive legislation in different States. This led to much blackmailing of some companies by "legislative agents," who claimed to be able to defeat such "strike" measures. Conditions hostile to life insurance grew to such proportions that in some States such drastic legislation was enacted as to be either prohibitive or loaded with such restrictive requirements as to endanger the future of the companies. Had the managers of companies been in accord during the past years, and earnestly co-operating for the general good, many of the evils complained of and the demoralization consequent upon them never would have existed. An association representing the best interests of life insurance, the members working in harmony, would have been able to prevent the hostile legislation of which they now so loudly complain, and at the same time have carried on such an educational campaign that legislators would have been able to discriminate between the good and bad measures put before them, and to have intelligently protected the interests of policyholders. The public could have been educated in a similar manner and the beneficence of life insurance made manifest to all. Furthermore, many vicious practices in field work could have been prevented and many an acrimonious discussion between agents could have been avoided. Much, indeed, that has tended to bring about the demoralization of the life insurance business, and to discredit the companies individually and collectively, can be attributed to the fact that there has been no associated action heretofore by the managers of life insurance companies. In nearly every other line of industry those most interested are associated together to further the welfare of their special enterprises, and great good has been accomplished by such organizations.

The Association of Life Insurance Presidents has the opportunity to supply for the future this lack of associated effort. How far its members may deem it wise to go for the best interests of the business can only be conjectured. As far as indicated up to the present time, its purpose seems to be to correct, as far as possible, legislative blunders; to secure the repeal of obstructive laws and the amendment of others less drastic, so as to make them conform in practice to what is fair and just in the prosecution of the business. This is, unquestionably, the most important work before the association at present, but it is to be hoped that it will not lose sight of other evils that afflict the business, and that eventually it will take steps to eradicate them. The rebate evil is one that has long been a subject of complaint. It has survived the denunciations of some company managers and scores of agents, yet it is still rampant. It has always been within the power of the companies to eliminate this evil whenever they chose to agree to do so, and to honestly and loyally live up to such agreement. Twisting of policies from one company to another is also an evil—never more openly practiced than within the past few months—that could be readily eradicated by the united action of the companies. Quarrels between agents, and the defamatory statements and literature circulated regarding rival companies, has contributed much to the discrediting of the life insurance system and the companies engaged in it. These, and various other practices that have worked to the injury of life insurance, may well occupy the attention of the Association of Life Insurance Presidents. That the organization is well conceived and fairly started was evidenced by the recent meeting in this city on the occasion of its first anniversary. The meeting was largely attended by the practical men connected with the companies, by several Insurance Commissioners and some legislators. Addresses were made and papers read that were thoroughly practical, and the analyses of the vicious laws that have recently been enacted were complete and most instructive. The arguments there presented, if laid before members of various legislatures individually, would serve to educate them to an intelligent consideration of the subject, and to remove much of their prejudice against life insurance. There is abundant work for such an association to do in the future, and it is to be hoped that it will be perpetuated and loyally and harmoniously supported by all interested.

AS the end of the year draws near, the interest in the matter of the valuation of securities owned by the insurance companies waxes warmer. Inquiries of the respective Commissioners as to their attitude in relation to this im-

portant topic have brought a number of replies, which are quoted or summarized on another page; and it is noticeable that some of the Departments which participated in the previous meeting, at which the majority voted to accept 1906 valuations, are still undecided as to the degree of leniency which they will feel justified in extending to the companies in this respect, though they will probably accept valuations upon the monthly average plan. Many insurance companies have already announced their determination to value their securities according to the actual market prices on December 31, 1907; but there are doubtless others which would be glad to take advantage of any leeway which may be granted them. The idea that a State Insurance Commissioner would not be justified in accepting a statement unless the assets were entered at the actual present market value, has found some adherents, it being argued that, in the case of a fire insurance company in particular, a conflagration is liable to occur at any moment which would force the conversion of its securities into cash, to meet the emergency, at whatever sacrifice such action might entail; hence, that a fire company's assets should always be valued at the existing market price. On the other hand, the supply of fire insurance is insufficient in many business centers, and the business community could ill afford to lose the writing power of a number of companies which, on a strict market valuation, might be found to be technically impaired. Then, again, most companies have a valuable, though concealed, asset in the commission which they could secure in case of reinsurance—in other words, the excess of the reinsurance reserve over the amount which would be required to reinsure their risks in other companies. Although they cannot take credit in their statements for an asset of this character, it might not be out of the way for the Commissioners and the public to give due consideration to the existence of this resource which, for some companies, would probably, under ordinary circumstances, equal or exceed their capital. There is no room for doubt that, technically, hundreds of National and State banks laid themselves open to bankruptcy proceedings during the recent financial panic, had their depositors wished to proceed to extremes; but depositors were lenient, the panic has passed, and the banks are still in good standing and performing their useful functions. So may it be with the insurance companies. Another fact which should carry weight is that the stockholders of many of the fire companies last year contributed millions of dollars to enable the companies to pay their conflagration losses and continue in business, and it would work a great hardship to them to be forced to make additional contributions, or to cease business, because of a condition which most people regard as merely temporary.

THE month of December, 1907, will long be remembered for the great number of lives sacrificed in mine disasters. Up to the twentieth of the month nearly six hundred miners and other workers in the coal mines were killed by explosions that shook the earth down upon them, burying them in the debris and blocking every avenue of escape. The three mines thus wrecked were located on the bituminous coal veins extending through parts of Pennsylvania and West Virginia. While there is no definite knowledge of the cause of the explosions, it is presumed that they orignated through the carelessness on the part of some one or more of the miners, in having in some manner set fire to the inflammable gases with which the mines are filled. That such dangerous conditions exist is alleged to be chargeable to the indifference of the mine owners, who neglect to provide adequate means for freeing the mines from these poisonous gases. Better ventilation and forced draughts of pure air through the various workings would drive out the gases and make life safer in them. The number of widows and children left fatherless in consequence of these latest disasters is very great, and the charitable organizations of the several localities have been taxed beyond their capacity to provide for them. Contributions from the outside have been liberal, but these bereaved families will remain destitute for years, lacking their wage-earners and bread-winners. Such disasters are national calamities, destroying great industries that employed large amounts of capital and gave employment to thousands of workmen. While mourning for the numerous dead, thought should also be given to the survivors, who are thus deprived of the means of earning a support for themselves and families, whose homes are broken up, and they forced to seek employment in other fields already overcrowded.

CHRISTMAS shopping has been as lively as usual, and shopkeepers do not report any serious loss of patronage. This is a good indication that the money stringency that had such a tight grip on the commercial world a few weeks since has been considerably relaxed, and that money is once more in free circulation. The trade in high-priced goods may not be as active as in some previous years, but the practice of making Christmas gifts has become such a fixed habit with our people that it is persevered in even though the aggregate amount expended may be somewhat curtailed. The evidence of prosperity abounds on every side, and now that the panicky flurry has given way to a realizing sense of the promising conditions in enterprises of all kinds, it behooves every person to put forth his best efforts to repair the damages caused by recent financial complications. Life insurance agents should receive inspiration from the improved conditions and start the new year with renewed confidence and a determination to exceed their previous records in securing policies for their respective companies. They have had a hard time for the past two or three years, and it should be their ambition and endeavor to make good the losses they have sustained in the past. The outlook is promising, money is plentiful and being more widely distributed daily. About the first of January millions of dollars in interest and dividends will be paid out by great corporations, and the life insurance men should be on the lookout to secure a portion of this from the thousands who will be the recipients of this widespread distribution of wealth.

The Ocean Accident and Guarantee has appointed William A. Lee manager of its personal accident and health departments for Philadelphia and vicinity, with offices at 418-420 Walnut street. He has recently been connected with the accident department of the Fidelity and Casualty, but formerly represented the Germania Life.

LIFE INSURANCE TOPICS

IN AND ABOUT NEW YORK.

During December, 1907, the New York Life will mature endowment policies amounting to $730.691 and tontine policies amounting to $1,124,007.

Frederick F. Judd of F. F. Judd & Co., certified public accountants, 140 Nassau street, has returned from a business trip to Chicago.

The regular meeting of the Life Underwriters Association of New York was held on Tuesday, December 24, in the board room of the Washington Life, 141 Broadway.

During the present week Superintendent Kelsey will pass on the report of one of his examiners, who has recommended that the Mutual Reserve Life be forbidden from charging, as liens against policies of the assessment class, such proportionate sums as might be necessary to meet the deficit occasioned by death claims in excess of the regular assessment payments. This method has heretofore been permitted by the New York Insurance Department. Should the examiner be upheld, it is said on behalf of the company that the effect would be to raise the question of its solvency and to nullify the work of the new management in rehabilitating it. This would put in hazard the insurance carried under the assessment policies, and a large number of the holders of these, because of age and incapacity, could not reinsure in any other company.

BOSTON AND VICINITY.

A suit now being tried in the Massachusetts Superior Court is being watched by insurance men with a good deal of interest. The plaintiff in the case is Dr. Felix Cloutier of Holyoke, Mass., and the defendant is the New York Life. The suit is for the recovery of $5000 on a policy issued on the life of one Joseph Rancourt of Lawrence. At the time the policy was issued the plaintiff declares that he did not know Rancourt, and the former purchased the contract through an agent of the company only when the insured announced his intention of giving up the policy. Cloutier bought the policy, he said, because he regarded the fifteen years' endowment clause as a profitable investment. On the death of Rancourt, August 11, 1906, however, the plaintiff alleges that the company refused to pay the policy. The plaintiff's attorneys made an unsuccessful attempt to prevent the reading of the defendant's answer, which contains allegations to the effect that the plaintiff and the agent through which the policy was transferred had conspired to secure the policy owing to their belief that the insured had not long to live. The answer alleges, furthermore, that the policy was never delivered to Rancourt, and that he never paid any premiums on it, and that at the time the policy was issued Rancourt was afflicted with an incurable disease.

NOTES FROM PHILADELPHIA.

Dr. Mahlon Hutchinson has been appointed Eastern Pennsylvania manager of the Reliance Life, with headquarters in the Manhattan building, Fourth and Walnut streets. He will also represent the army and navy department of the company, which permits him to write anywhere in the United States.

The new Union Casualty Company of this city having purchased the building at the southeast corner of Fifth and Walnut streets, and fitted up very attractive offices therein, expects to be prepared to accept business shortly after the first of the year. Its capital is $100,000.

Irvin Zimmerman is meeting with so much success in the operation of the Corporation Funding Company that he has resigned as vice-president and director of the Atlantic Casualty, which he recently organized, to devote his whole time to the work of the former company.

The Western Life Indemnity of Chicago has appointed Max Zelnick manager for Eastern Pennsylvania. His headquarters are at 411-413 Walnut street.

Jesse J. Barker, F. A. S., actuary of the Penn Mutual Life, has been compelled to resign that position owing to poor health. After January 1, 1908, J. Burnett Gibb, who has been the assistant actuary for the last seven years, will succeed Mr. Barker, and George R. White and Oliver W. Perrin have been appointed assistant actuaries. Mr. Barker continues with the Penn Mutual in the advisory and directive capacity of consulting actuary.

AMERICAN STATISTICS OF CHRONIC DISEASES.

By Frederick L. Hoffman.

A chronic disease is assumed "to be simply one of long duration, the distinction between it and an acute disease being in the length of time afflicted rather than in the nature of the ailment." This rule, of course, is open to serious question but it was probably the best alternative that could be adopted for the purpose of the present investigation. It is explained that the information sought was the "name of the disease, its duration, ability of the individual to work, and how he was supported." While the results, as in the case of acute diseases, are presented with too much brevity, it is stated that more extended information may at any time be obtained from the Bureau of Labor Statistics by those who are interested in any special line of inquiry. It is hoped, however, that the facts will be published in detail in a subsequent report.

The total number of persons suffering from chronic diseases, ascertained by the enumeration, was 22,217, of which 11,825 were males and 10,392 were females. In proportion to the population, the rate of chronic morbidity was 7.85 per thousand for males, 6.56 for females, and 7.19 for both sexes combined. Of the total number enumerated, 2441 were afflicted with two, and 413 had three or more diseases. The table which follows shows the more important chronic diseases, with distinction of sex, arranged in the order of their importance, for each sex and both sexes combined:

CHRONIC DISEASES IN MASSACHUSETTS—1905.

Classification.	Males.	Females.	Both Sexes.
Rheumatism	3,751	3,351	7,102
Heart disease	2,161	1,672	3,833
Kidney trouble	1,132	572	1,704
Nervous prostration	397	752	1,149
Asthma	697	446	1,143
Bronchitis	362	400	762
Hernia	666	79	745
Cancer	186	309	495
Bright's disease	234	133	367
Malaria	243	73	316
Diabetes	134	134	268
Bladder trouble	162	44	206
Alcoholism	156	1	157
Miscellaneous	3,668	3,610	7,278
Totals	13,949	11,576	25,525

In this table diseases have been counted instead of persons, which somewhat impairs the value of the table. Of course this is a well known difficulty in vital statistics, but no one would attempt to adopt such a classification in a statement of deaths, and there is no reason why it should be adopted in the classification of chronic diseases. The most important disease in the table is rheumatism, followed by heart disease, kidney trouble, nervous prostration and asthma. It is unfortunate that the group of miscellaneous chronic diseases should have been so much abbreviated, for it would have been of great value to have had the details for many diseases other than the thirteen specifically enumerated.

As to the extent of disability resulting from chronic diseases, the results are presented in tabular form as follows:

CHRONIC DISEASES IN MASSACHUSETTS—1905.
Ability of the Individual to Work.

Classification of Replies.	Males.	Females.	Both Sexes.
Yes	4,151	3,324	7,475
Part of time	2,120	1,138	3,258
No	3,061	3,224	6,285
No (advanced age 70 years and over)	1,650	1,285	2,935
At school	618	586	1,204
Not stated	225	835	1,060
Totals	11,825	10,392	22,217

This table should prove of special value in connection with the consideration of the inclusion of a disability clause in ordinary life

policies, and in the far-reaching consideration which is now being given to industrial diseases and legal compensation for the results of industrial employments.

Equally interesting and valuable is a table showing the duration of chronic diseases according to the length of time the person was afflicted, with variations from under one year to fifty-one years and over. It is a matter of regret that a similar table should not have been given for acute diseases. The table has been abbreviated for the present purpose, showing respectively the duration of chronic diseases by single years under five, and by groups of years afterwards.

CHRONIC DISEASES IN MASSACHUSETTS—1905.
LENGTH OF TIME AFFLICTED.

Periods (Years).	Males.	Females	Both Sexes.
Under 1	935	797	1,732
1– 2	670	737	1,407
2– 3	934	925	1,859
3– 4	724	740	1,464
4– 5	590	600	1,190
5–10	2,146	2,024	4,170
10–21	2,905	2,811	5,716
21–31	721	687	1,408
31–41	1,088	265	1,353
41–51	528	156	684
51 and over	73	115	188
Years not specified as to number	114	166	280
Not stated or unknown	397	369	766
Totals	11,825	10,392	22,217

In any enumeration of this nature it is inevitable that errors should creep in, due to inability on the part of many to state with accuracy the period of time in other than round numbers. As a result there is a distinct grouping at such points as five, ten, fifteen years, etc., in the original tables. The report also calls attention to the fact that the relatively large numbers of persons suffering from chronic diseases during the period thirty-one to forty-one years, with a large preponderance of males, is to be accounted for, perhaps, because of the large number of men who reported having contracted a chronic disease during the War of the Rebellion.

The distribution of chronic diseases by age periods omits a reference to the corresponding numbers exposed to risk, but I have used the same method of calculation as in the case of acute diseases, and the results, in an abbreviated form, are as follows:

CHRONIC MORBIDITY IN MASSACHUSETTS—(ACCIDENTS INCLUDED).

Ages.	Males.		Females.	
	No. of Cases.	Rate per 1000 Living.	No. of Cases.	Rate per 1000 Living.
Under 16	623	1 32	568	1 20
17–29	979	2 65	923	2.25
30–49	2,356	5 48	2,511	5.78
50–69	5,394	29 01	4,253	20 32
70 and over	2,468	60.94	2,125	40.19
All ages	11,825	7 85	10,392	6.56

It will be observed that the rate of chronic morbidity increased with increasing age, but that the tendency was decidedly towards a higher rate of morbidity among males at ages fifty and over. While the differences in the rates of chronic morbidity between the two sexes were not very pronounced at ages under fifty, at ages fifty to sixty-nine the rate was 29.01 per thousand for males against 20.32 for females, and at ages seventy and over the rates were 60.94 for males against 40.19 per thousand for females.

The same error which underlies the occupation classification in acute diseases impairs the value of the returns for chronic occupation diseases. In view of the increasing attention given to industrial diseases, and their possible relation to drastic employers' liability laws and old-age pension schemes, it would have been of great value if the facts had been returned in more detail, showing at least the ages at death and the more important diseases for the more important occupations, with rates worked out for the numbers engaged in corresponding employments. Since all of this information was collected as part of the census there would appear to be no practical reason why such a tabulation should not be made in the final volume, together with calculations to establish the true rate of chronic morbidity in different employments at different periods of life. At least this should be done for such important occupations as the textile industry, stone cutting, boot and shoe making, and various other trades which predominate in Massachusetts.

The reports in their abbreviated form, however, form a valuable contribution to our very limited knowledge regarding the actual extent of acute and chronic diseases in a particular and representative section of the United States. It is to be hoped that the final reports will give the facts in full detail with some regard to the value of the data to preventive medicine, public health administration, insurance practice, and the public at large.

THE MIDDLE STATES.

—Frank W. Carr has been appointed manager for Eastern Pennsylvania of the North American Life of Newark, N. J., with offices at 1023-5 Real Estate Trust building, Philadelphia. It was reported that this appointment had gone to the James B. Carr & Sons agency, which is erroneous. Mr. Carr has been in the life insurance business for a long time, and he is qualified to render valuable services in his new connection.

THE NEW ENGLAND FIELD.

—Judge Edward B. Bennett and Arthur L. Shipman of Hartford have been elected directors of the Travelers Insurance Company.

—The Boston Mutual Life came satisfactorily through its tri-ennial examination at the hands of the Massachusetts Insurance Department a few weeks ago. At the close of the year the company will cease writing non-participating business, in compliance with the new law. The officers are satisfied that next year will be a good one in every respect.

—The Peoples Savings Bank of Brockton, Mass., announces that while it has taken the preliminary steps required by chapter 561 of the acts of 1907 of the legislature of Massachusetts, authorizing savings banks to establish life insurance departments therein, it will necessarily be some time before it will be ready to open such a department. The State actuary is now at work on the rates and calculations needed by the banks before opening a life insurance department, and his figures will probably not be ready before February 1, 1908.

THE WEST.

—Geo. L. Root, general agent for the Penn Mutual Life at Peoria, Ill., has resigned, owing to ill health.

—The executive offices of the Provident Annuity Life, recently organized at Bloomington, Ill., have been moved to the Fisher building, Chicago.

—The parties organizing the Mississippi Life are undaunted by the dissensions which arose among the promoters. The organization will be completed as rapidly as possible.

—J. L. Ferguson has given up his interest in the organization of the First Savings Bank Life of Little Rock, and the company will be promoted by L. V. Denney and Paul Kersch.

—Dr. C. E. Albright, the leading producer of the Northwestern Mutual Life, has placed $447,500 of insurance with the Milwaukee Western Fuel Company. E. A. Uhrig, president of the company, has $347,500, in addition to $250,000 already carried by him, and C. W. Moody, secretary and treasurer, took $100,000.

—The Phœnix Mutual Life has appointed B. E. Ellis, formerly its manager at Des Moines and later manager for Minnesota and the Dakotas, field superintendent for these States. Philip B. Hunt of Minneapolis has been appointed State manager for Minnesota; Joseph Meyer of Aberdeen, State manager for South Dakota, and Frank W. Thomas of Fargo, State manager for North Dakota.

—The American Central Life of Indianapolis, after January 1, 1908, will operate upon the American Experience Tables and 3½ per cent reserve basis. The company is changing its policies to conform with the standard provisions as required by recent legislation in a number of States in which the company is operating. The company reports a highly successful year in 1907, having greatly increased its agency force, secured a very satisfactory amount of new business, enjoying a low lapse ratio, and greatly increased the strength of its heretofore highly satisfactory financial condition.

—Insurance Commissioner E. M. Wolf of California has rendered his annual report. Nothing of any importance is contained therein, except a request for an anti-rebate law. Mr. Wolfe deplores the fact that no law prohibiting the mutual life insurance companies from rebating was passed by the legislature. In speaking of this matter he says: "Rebating has led to many abuses in the life insurance business. In order that agents might rebate, immense commissions have been paid, and the enormous expenses resulting have worked to the injury of those policyholders at whose expense such business was procured and to the injustice of those who did not receive rebates."

THE SOUTH.

Jefferson Standard Life Insurance Company.

The management of the newly organized Jefferson Standard Life Insurance Compauy of Raleigh, N. C., has started out on most conservative lines. Its first step was to have ample resources financially as evidenced by its capital stock of $250,000 and a similar amount of surplus, so that there was half a million dollars back of the first policies issued. Agency contracts, while on a liberal basis, are so drawn as to discourage high-pressure methods, and at the same time to encourage persistency on the part of the policyholders. Finally the policies are most liberal in their terms and give every possible advantage and benefit, including a valuable disability feature. The Standard Guaranty policy with deferred dividends offers no chance of forfeiture, as in the event of the death of the insured before the expiration of the dividend period, the accumulated dividends are immediately payable, in addition to the face of the policy.

With the foregoing features as a platform, the compauy bids fair to speedily become popular in its own field. The Jefferson Standard has a strong board of directors and a capable executive staff, the latter being composed as follows: Joseph G. Brown, president; P. D. Gold, Jr., first vice-president and general manager; C. W. Gold, secretary and superintendent of agencies; Charles J. Parker, treasurer; Albert Anderson, M. D., medical director; T. B. Womack, general counsel, and David Parks Fackler, consulting actuary.

—Wisdom & Levy, Louisiana representatives of the Equitable Life, will dissolve partnership on December 31, and the business will be continued by Frank L. Levy.

—The Fort Worth Life Insurance Company of Fort Worth, Tex., is seeking to increase its agency force for the coming year, and offers splendid contracts in good territory. Its attractive line of policies make agency work easy.

—Charles G. Cain, formerly a special agent of the Pacific Mutual Life, has been appointed superintendent of agents for the Commonwealth Life of Fort Smith, Ark. William Sparling, secretary and general manager of the Commonwealth, has resigned, and T. G. Smith, president of the company, has taken up the work of general manager. J. T. Johnson will hold the office of secretary and treasurer.

—The Insurance Commissioner of Texas has notified the Texas Life that it may issue its "guaranteed annual dividend coupon policy" only on condition that applications read as follows: "This policy is purely non-participating. The attached coupons represent the difference between the participating rate and the non-participating rate plus 3½ per cent compound interest on the amount of such difference."

MISCELLANEOUS LIFE NEWS.

Numerous Changes in Policies, Rates and Values.

With the advent of the new year a large number of life insurance companies will make extensive changes in their policy forms, rates of premium and surrender values. Most of the changes in policy forms are due to the enactment in several States of laws prescribing standard provisious. The new rates are owing to still more companies going to a higher reserve basis, which also affects the surrender values, while some companies have materially increased their options on surrender. So far we have been informed of the following changes and new forms:

Ætna Life of Hartford—Business will be confined mainly to the new Complete Protection policy, both participating and non-participating.

American Central of Indianapolis—Will change from 4 per cent to 3½ per cent reserve basis with new policy form.

Bankers Reserve Life, Omaha—Changes from 4 per cent to 3½ per cent reserve basis with new policy forms.

Berkshire Life, Pittsfield, Mass.—New policy form and rates on 3 per cent reserve basis.

Boston Mutual, Bostou—Will write all participating business and make slight increases in rates.

Capital Life, Deuver—New policy and rates.

Central of United States of America, Des Moines—New policy ou nouparticipating plan.

Columbian National, Boston—New policy and rates; business all non-participating.

Connecticut General, Hartford—New policy.

Connecticut Mutual, Hartford—New policy.

Des Moines Life, Des Moines—New policy.

Equitable, New York—New policy; new term rates recently promulgated.

Equitable, Des Moines—New policies and rates on 3½ per cent reserve basis adopted recently.

Fidelity Mutual, Philadelphia—New policy.

Franklin Life, Springfield, Ill.—New policy.

Germania Life, New York—New policy.

Home Life, New York—New policy and rates. Guaranteed values increased.

John Hancock, Boston—New policy form.

Life Insurance Company of Virginia, Richmond—Company went to non-participating basis entirely, a few months ago.

Manhattan Life, New York—New policy, rates and values.

Massachusetts Mutual, Springfield—New policy to be issued. Company recently promulgated new rates and values on three per cent basis.

Metropolitan, New York—Increased surrender values.

Michigan Mutual, Detroit—New policies, rates and values.

Mutual Benefit, Newark, N. J.—New policy forms and surrender values iucreased.

Mutual Life of New York—New policy forms with increased surrender values. Full three per cent reserve allowed as cash value at end of tenth year. Dividends payable at end of first year, whether succeeding premium is paid or not.

National Life of United States of America, Chicago—New policy.

National Life of Montpelier, Vt.—New policy, rates and values. Dividends payable annually without regard to payment of next premium.

New England Mutual, Boston—Company changes to three per cent basis, with new policies, rates and values.

New York Life, New York—New plans on term policies announced.

Northwestern Mutual, Milwaukee—New policy to conform with Wisconsin law.

Northwestern National, Minneapolis—New policies, rates aud values.

Pacific Mutual, Los Angeles, Cal.—New policies, rates and values on three per ceut basis.

Penn Mutual Life, Philadelphia—New policies and increased surrender values.

Phœnix Mutual, Hartford—New policy with increased values. No surrender charge after ninth year. Dividends payable annually without regard to payment of next premium.

Pittsburgh Life and Trust, Pittsburg—New policy and rates.

Provident Life and Trust, Philadelphia—New policy with loan values after third year.

Prudential, Newark—New plaus recently announced; all business to be non-participating.

Royal Union Mutual, Des Moines—New policies, rates and values recently promulgated on 3½ per ceut basis.

Security Life of America, Chicago—New policies, rates aud values.

Southwestern Life, Dallas, Tex.—Company recently issued new rates aud values on 3½ per cent table.

Travelers, Hartford—New policy.

Uuion Central, Cincinnati—New policy, rates and values.

Union Mutual, Portland, Me.—New policy.

United States Annuity and Life, Chicago—New policy and changes in rates and values.

United States Life, New York—New values early in 1908.

Volunteer State, Chattanooga, Tenn.—New policy form; slight increases in non-participating rates.

Washington Life—New policy forms.

The Life Insurance Law Chart.

The Spectator Company favors us with a copy of its "Life Insurance Law Chart" for 1907-1908. It is designed for hanging on the office wall and furnishes a ready and convenient source of information as to the requirements of each State affecting insurance companies operating thereiu. Price, $3.00.—Rough Notes.

The Life Insurance Law Chart published by The Spectator Company shows on one sheet of convenient size and haudy for reference a summary of the laws applicable in each State to the life insurance companics of other States. It has been compiled by A. R. Fullerton, an expert insurance lawyer, and will prove useful to all persons concerned in the legal side of the busiuess in the differeut States. Fifty States and Territories and Canada are covered. The price of this excellent work is $3.00.—Weekly Uuderwriter.

Insurance Report of the District of Columbia.

Insurance Superintendent Drake of the District of Columbia has issued his report covering the year 1906. In it he signifies his intention to renew his efforts to regulate industrial life assessment associations in the District. The insurance laws of the District he characterizes as a subject for ridicule, and expresses the hope that the amendatory bills to

be prepared will be enacted. Mr. Drake considers it well that little has been done toward completing the new code of insurance for the District. It is his opinion that this can be better accomplished when the public mind has had a chance to return to a normal attitude toward insurance. The Superintendent repeats his recommendation for the exemption of insurance companies from taxation on premium receipts, it being shown that during the last five and a half years the Department received $327,216 over its expenses. The premium receipts of life and casualty companies in the District in 1906 amounted to $4,233,507, an increase of $232,788 over the amount for the previous year. The losses paid in the District amounted to $1,880,503, an excess of $399,873 over losses in the previous year.

INDUSTRIAL INSURANCE

The Proper Spirit.

Put the right spirit into your work. Treat your calling as divine—as a call from principle. If the thing itself be not important, the spirit in which you take hold of it makes all the difference in the world to you. It can make or mar the man. You cannot afford grumbling service or botched work in your life's record. You cannot afford to form a habit of half-doing things or of doing them in the spirit of a drudge, for this will drag its slimy trail through all your subsequent career, always humiliating you at unexpected times. Let other people do the poor jobs, the botched work, if they will. Keep your standards up, your ideals high!

The attitude with which a man approaches his task has everything to do with the quality and efficiency of his work and with its influence upon his character. What a man does is a part of himself. It is the self-expression of what he stands for. Our life-work is an outpicturing of our ambition, our ideals, our real selves. If you see a man's work you see the man.

No one can respect himself, or have that sublime faith in himself which is essential to all high achievements, when he puts mean, half-hearted, slipshod service into what he does. He cannot get his highest self-approval until he does his level best.—Success.

Child Endowment Policy.

The Rome Industrial Life has issued a child endowment policy, which will be sold to any child over two years old. For five cents a week for twenty years, a child of two years will receive an endowment of $60, and for twenty-five cents an endowment of $300. Children five years of age will be sold endowments of $500. If the child dies before the end of the endowment period, the company returns the premiums paid with four per cent compound interest. This policy is being sold by women agents, of which the company has quite a large number.

Some Notable Business-Getting Contests.

During the past fall several districts of the Prudential have made extraordinary records. Easton, Pa., during a week in October, wrote 791 industrial applications for $64.56, and Baltimore No. 3 followed a week later with 771 applications for $62.58. Then Allentown showed 600 applications for $53.58, and Washington, under Superintendent Wainwright, put in 780 for $73.05. The Reading district, under Superintendent Brown, was the next to be heard from, with 804 applications for $86.27, with collections of $106.04 and $14,500 ordinary. Reading thus makes the industrial record for the year.

Prudential Leaders.

The Prudential superintendency leaders in industrial for 1907 up to December 9 were: G. S. Wainwright, Washington; V. W. Kenney, Baltimore 3; A. X. Schmitt, Chicago 2; J. Pauer, McKeesport; J. S. Kendall, Chicago 1. In ordinary, the following superintendents lead in the order named: J. R. Russell, Pittsburg 1; J. S. Kendall, Chicago 1; A. X. Schmitt, Chicago 2; W. J. Summerell, Chicago 9; Z. T. Miller, New York 8.

The "Twist" in Georgia.

The Rome Industrial of Georgia, which has not been in existence very long, is nevertheless showing a marked degree of activity. Solicitors of some of the other companies noticed that they were losing some of their business and they discovered the following form of receipt which was being used by the Rome Industrial.

Rome Industrial Life Insurance Company, Rome, Ga. This is to certify that I have this ...... day of ...... 190.., surrendered, of my own free will, my policy in ...... and in lieu thereof, take one in the Rome Industrial Life Insurance Company.

This showed plainly where the "twist" was and the other companies have signified their intention of materially increasing their field forces to stop further inroads on their business.

The Non-Lapsers.

Tuckler, of the Life Insurance Company of Virginia, at Newport News, is on his nineteenth week without a lapse, and Rogers of Piedmont has covered thirteen weeks; Harper of Alexander ten weeks, and Howard of Salisbury nine weeks. Three other men are in the six weeks' class, and ten in the five weeks' class.

—The Murray Hill (New York) district of the Metropolitan, under Superintendent D. G. C. Sinclair, will pass the $100,000 mark in ordinary before the end of the year.

—Manager Louis Janson, of the Colonial in Williamsburg, now has a good lead on Manager Whitaker of Harlem, and it looks as though it would be impossible to dislodge the Williamsburg man from first place in division A.

—The forthcoming annual statement of the Life Insurance Company of Virginia will show an increase in premium income of $200,000; increase in insurance in force of five and a half million dollars; increase in number of policies in force of 39,000. The insurance in force will reach $60,000,000, and the total paid to policyholders since organization over eight million dollars.

FIRE INSURANCE TOPICS

NEW YORK SURVEYS.

Newman & McBain have appointed C. B. Mulhern of 626 Columbus avenue branch manager of the Eagle and the Delaware Fire.

The Brooklyn Rapid Transit Company announces its purpose of renewing but $3,000,000 of the $16,000,000 line which it has carried heretofore.

Chairman George W. Hoyt of the Suburban Fire Insurance Exchange has notified companies that the minimum rates adopted at the meeting held in this city on the 3d inst. have been forwarded to their agents.

George W. Comstock, superintendent of agencies for the Northern, enters the firm of Wood Bros. as a partner on January 1 next, under the firm name of Wood Bros. & Comstock. The general agency business of the firm will be extended to cover Eastern New York, including Long Island and Staten Island, and New Jersey and Connecticut.

Andrews & Cluff will succeed W. A. Warburton as Brooklyn managers of the Ætna of Hartford. Mr. Warburton has decided to sever his connection with the fire insurance business. The Ætna speaks very highly of his ability and expresses regret over his determination to give up the business.

The belief among underwriters is that the new building code will finally pass the Board of Aldermen on December 31. This seems a consummation almost too desirable to be realized, owing to the adverse influences which have from time to time been projected into the discussion before the commission. These influences are chiefly political, and have a very slender basis for justification, but they are crafty and underhanded and hard to meet. It is said one district leader is more influential than a half dozen civic societies, but the proceedings to date have encouraged the friends of honest buildings and of the future safety of the city to believe they have won the fight. But, as December 31 is the last day and hour of the present Board of Aldermen, the opponents of the new code may knock it out by some ruse to gain time.

We have conversed with several of the officials of the fire companies relative to the suggestions as to the valuations of stocks and bonds to be used in making up annual statements. The general answer is that they intend to pursue the usual course, which is to obtain quotations

from one or more leading brokers and base the valuations upon the quotations thus obtained. Any company is amply justified by the existing conditions in placing the highest market price upon all investments. It has been the custom of a very few companies to discount values in the past, with the result that the securities were figured below actual quotations. One of the prominent city offices has been in this list for several years. The view thus assumed by even one company has brought out variations in the quoted values in annual statements, but in no case to adverse criticism. Probably it will be found, when the statements are printed, that the quotations will bear examination.

On January 1, Morris L. Duncan assumes the title of United States manager of the Svea. Mr. Duncan has been manager, in fact, for some time past. Weed & Kennedy retain the agency for New York city, and Mr. Kennedy has been asked to act as one of the Svea's United States trustees.

The business of the Excelsior is being canceled at short rates and return premiums paid promptly in checks upon the Oriental Bank. This bank has certified O. K. Excelsior checks on demand. While a certain class of underwriters have been inclined to criticise the company in the manner of its birth, no fault can be found with its honorable discharge of all obligations to its creditors. The fight between the stockholders and the Borough Bank of Brooklyn is their own affair.

Some curiosity, as well as a decided interest, is manifest in fire underwriting circles over the next movement of the Governor with respect to the Superintendent of the Insurance Department. It is freely prophesied the Governor will again remove the Superintendent upon charges of inefficiency, and will cite several instances of laxity during the year now closing. The fire underwriters one year ago supported the Superintendent in the controversy in the Senate, but at this time many of the officials among the companies believe it is inexpedient to do so again, lest they bring down upon their own heads the ill will of the Governor.

Underwriters have been regaled recently with stories of financial troubles in the department stores of this city, most of which are a rehash of stories in circulation for many months regarding one particular store, charged by the trade with slow payment and other delinquencies. The statements, which are prejudicial to one concern, are known to relate to temporary difficulties only, and inquiry among commercial agencies and interested banks, as well as the wholesale trade, have shown their continued confidence in the absolute solvency of the party referred to. Taken as a whole, the department stores have passed through the financial storm with unimpaired credit.

Again the air is full of rumors relative to agency changes on December 31. Various brokers and others have received circulars from a prominent agent announcing new accessions to his office and the promise of an additional company on January 1. This has set the boys guessing, and a half dozen companies have already been suggested for the possible change indicated. But rumors seldom spare names, and the past two months they have been very numerous and mostly false. Companies are not changed with brass band accompaniments.

Yesterday was Christmas, and the fire underwriters have been so used to Christmas presents of the wrong kind that many of them will pick up their morning paper at breakfast to-day with a fear and trembling born of previous experience.

The latest wrinkle is a threat from an out-of-town agent to compel a surplus line broker to pay the difference between the short rate and pro rata return premiums upon a policy canceled at the out-of-town agent's request. It appears the firm insured declined the policy after this agent had paid the premium. The tart correspondence ended in the threat described.

A. & J. H. Stoddart, general agents of the New York Underwriters Agency, have appointed Fred C. White superintendent at the home office of the sprinklered risk department, succeeding the late A. R. Williams.

—The Underwriters Association of the Middle Department elected the following-named officers: President, Edgar J. Haynes; vice-president, Frank K. Patterson; secretary, Edward B. Conighton.

BOSTON AND VICINITY.

The recess committee of the legislature will report to the General Court, when that body convenes early in the year. One of the most important measures which it has considered is legislation to permit the apportionment of dividends of mutual fire insurance companies; also as to what kinds of insurance other than fire insurance may be transacted by one company. The other most important matter before the committee is that relating to State supervision and State regulation of insurance rates. The committee, in the consideration of this matter, has been confronted with the question of the constitutionality of such a law. There were a large number of bills and petitions referred to the committee by the last General Court, but it is stated that the committee will make very few recommendations for legislation.

The Boston Suburban Board of Fire Underwriters has been formally organized, with the following officers: President, Herman Bird of Cambridge; vice-president, Ralph F. Goddard of Woburn; secretary and treasurer, T. H. Raymond of Cambridge; chairman of the membership committee, A. M. Stewart of Cambridge.

NOTES FROM PHILADELPHIA.

A semi-annual dividend of five per cent was paid by the United Firemens on Saturday last.

The following names have been added to the list of signers of the Philadelphia agreement of April, 1897: Will K. Ridge & Co., for the Northwestern Fire and Marine of Minneapolis; Stone, Mathews & Co., for Walla Walla Fire, and Seeler & Herkness, for Keystone Underwriters of Pittsburg, Pa.

The following officers were elected at the annual meeting of the Underwriters Association of the Middle Department held last week: Edgar J. Haynes, president; Frank K. Patterson, vice-president; Edward B. Creighton, secretary.

A meeting of the stockholders of the American Fire of Philadelphia is called for to-day, at noon, to pass upon a proposed reduction of the capital stock from $500,000 to $200,000. It is believed that the company will resume business early in the new year.

The annual inspection of theaters and other amusement houses in this city by officials of the Fire Bureau, which was begun last week, shows as far as completed that the fire-fighting apparatus in these risks is kept up to a high standard of efficiency.

THE MIDDLE STATES.

—John C. Hoyt, one of the oldest and best-known insurance agents in New York State, died recently at Utica, N. Y., aged eighty-six years.

—H. E. Reissinger and H. M. Fairchild will cover Maryland and Pennsylvania for the Liverpool and London and Globe, from January 1.

THE NEW ENGLAND FIELD.

—The Granite State Fire held its annual meeting last week, when a semi-annual dividend of five per cent was declared. The following officers were chosen: President, Calvin Page; secretary, J. Albert Walker; assistant secretary, John Emery. The Portsmouth Fire Association also held its annual meeting, and the same dividend was declared as in the Granite State.

THE WEST.

—The license of the German Fire of Indianapolis in Kansas has been restored.

—E. P. Foreman, Michigan special agent of the Franklin Fire of Philadelphia, died recently at Detroit.

—Miss M. L. Tiffany succeeds C. F. Persch as secretary of the Illinois State Board of Fire Underwriters.

—The local board at Winona, Minn., has been reorganized, with all the agents in. There has been a deal of rate cutting and general demoralization, but tariff rates are expected to be maintained hereafter.

—Fire insurance agents at Cleveland have organized a clearing house for the settlement of monthly balances. It will commence operations on January 1

with M. C. Willis, secretary of the Cleveland Fire Insurance Exchange, in charge.

—Charles B. Williams, Cook county special agent of the Ætna, has been appointed special agent and adjuster in the Cook county department of Munger, Vokoun, Wetmore & Witherbee for the New York Underwriters Agency and the Scottish Union and National.

—Attorney-General Young of Minnesota has advised Insurance Commissioner Hartigan that neither partnerships nor corporations can be licensed to solicit business in Minnesota. He also announces that brokers' licenses may be issued to non-resident individuals, but not to non-resident corporations or partnerships.

—At a recent meeting of fire chiefs in Oklahoma City a bill was prepared for introduction in the legislature providing for the payment to the State by insurance companies a tax of two per cent of their premium receipts therein, half of which to be used as a firemen's fund and the other half for the purchase of fire protective apparatus for cities having apparatus, to the extent of $1000.

—A large number of Western managers met last week at the Union League Club at Chicago to do honor to I. S. Blackwelder, the retiring Western manager of the Niagara Fire. P. D. McGregor of the Queen, in behalf of his friends, presented Mr. Blackwelder with a handsomely inscribed watch and chain. A tribute of flowers and Christmas holly was thoughtfully sent to Mrs. Blackwelder, who is convalescing from a long illness. Mr. Blackwelder responded feelingly to the tributes of his friends. A luncheon followed.

THE SOUTH.

—The Tennessee Field Club has decided to disband because of lack of interest on the part of members.

—Edgar Dunlap of Atlanta, Georgia general agent of the Eagle Fire, will have jurisdiction over South Carolina on and after January 1.

—The West Virginia agents of the Ohio German Fire will report to the head office of the company after January 1.

—Joseph W. Mitchell, who succeeded in winning his way from office boy to secretary of the Factors and Traders of Mobile, Ala., died recently at his home in that city.

—President Rhodes Browne of the Georgia Home had the honor recently of being inducted to the Mayor's chair of his home city, Columbus, Ga. He won the campaign by a good margin, and is receiving the congratulations of his many friends in and out of the insurance business.

—F. W. Offenhauser of Texarkana, president of the National Association of Local Fire Insurance Agents, will take into partnership on January 1 P. W. Terry, an old insurance man, who used to be in business at Sherman, Tex. The firm name will remain the same, F. W. Offenhauser & Co.

MISCELLANEOUS FIRE NEWS.

Valuations Acceptable to State Departments.

Although a meeting was held in New York a few weeks ago, which was attended by the Insurance Commissioners of a number of States, and at which a resolution was adopted favoring the acceptance by the various State Insurance Departments of statements as of December 31, 1907, embracing security valuations upon the basis accepted December 31, 1906, the matter does not appear to have been fully settled, even in relation to the Departments represented at the meeting in question. Another meeting of the Commissioners was held last week at Louisville, Ky., to further discuss the valuation question.

At the Louisville meeting a committee was appointed on Wednesday to prepare and submit a plan, the committee consisting of Messrs. Carroll of Iowa, Thompson of Tennessee, Potter of Illinois, Vandiver of Missouri, Crouse of Maryland and Kelsey of New York. On Thursday the committee reported the following plan for ascertaining the real market values, viz.: By taking the mean market prices on the first day of each month and on December 31, 1907, adding same together and dividing by 13; providing, however, that in any particular case where exceptional conditions warrant a departure from this rule the latter shall not apply.

A committee comprising Messrs. Kelsey of New York, Hardison of Massachusetts, Crouse of Maryland, Potter of Illinois, Beedle of Wisconsin, Vandiver of Missouri and MacDonald of Connecticut, was appointed to act with Chairman Folk of Tennessee, and was given power to employ expert appraisers to make up a list of securities, as deemed necessary, with their market values, and to furnish same to such Commissioners as may request it, as soon as possible after January 16, 1908.

Among those who were present at the meeting, in addition to the Commissioners, were Ralph W. Breckenridge of Omaha, on behalf of the National Board of Fire Underwriters (who was heard by the special committee on taxation); Robert L. Cox, secretary of the National Association of Life Insurance Presidents; J. H. McIntosh, general counsel for the New York Life; Wm. Bro-Smith of the Travelers; Judge G. H. Noyes, Northwestern Mutual Life, Milwaukee; M. A. Woolen and C. E. Dark, American Central Life, Indianapolis; C. P. Ellerbe, St. Louis; Henry Abels, secretary Franklin Life; O. J. Arnold, secretary Illinois Life; J. M. Craig, actuary Metropolitan Life, N. Y.; W. F. Thummel, counsel Mutual Life; John C. Ribeldaffer, Southern States Mutual Life; Wm. T. Smith, United States Life and Annuity; P. E. Williams, Union Central Life.

The Spectator recently addressed letters to the respective State Insurance Commissioners, requesting statements of the positions adopted by the respective Departments as to the valuations which would be accepted in the forthcoming annual statements. Below will be found extracts from letters received from a number of the Departments, with a few expressions also, not received directly from the Departments, but from apparently authentic sources:

Alabama.—No decision yet reached.

Arizona.—Will accept December 31, 1906, valuations.

Arkansas.—"I have adopted no 'hard and fast" rule by which I will be governed in valuing securities of insurance companies at the time of settlement on 31st instant. It is a question to which I have given some thought and am still debating in mind. I confess to an idea that values are relative and cannot be arbitrarily fixed; that the amounts for which a commodity will sell or is sold, particularly speculative stocks, is its value for the time. However, I can very readily conceive of conditions when the above would be a harsh rule, and should not be made to apply. It is my intention to be as liberal with these values as consistent with good business judgment and with an eye to the proper protection of the insuring public."

Canada.—The Superintendent of Insurance writes: "I have to say that under the existing law in force in Canada there is no provision made for valuing securities for the purpose of the annual returns at any other rate than the market value, and consequently I consider that I have no option or discretion with regard to the matter."

Colorado.—"I believe as a permanent method that the amortization plan for valuing bonds should be adopted and that the market value of stocks should be used; this value being arrived at by averaging the sales or bids for the month prior to the date of report. In the present emergency this Department will not insist that foreign companies adopt this method, but will accept valuations for the 1907 statements made upon methods approved by the Insurance Departments of the home State of the companies making them. All companies have been notified accordingly."

Connecticut.—No decision reached. The Attorney-General, in the course of an opinion, said: "It would seem that a common sense way to determine the market value would be to take the fair average value of the security; that which it brings in the market during a period sufficiently extended to escape the extremes in price which sometimes prevail under unusual and peculiar conditions. Whether, as has been recently suggested in certain quarters, the prices of last year should be adopted until the present 'flury' passes, may be questioned. We are living in the present, but I know of no requirement compelling you to adopt panic prices or the prices on any specified day as the measure of market value."

Delaware.—"The Commissioner will assist the companies as far as possible in arriving at a just valuation."

District of Columbia.—Announcement will be made following the Louisville meeting.

Florida.—Actual market values on December 31, 1907.

Georgia.—"The laws of this State expressly provide that all insurance companies doing business in this State shall file annually a sworn statement showing their financial condition on the 31st day of December preceding the filing of said statement. The valuations, therefore, of the assets of all such companies are required to be made as of December 31, and I am given no discretion to waive or in any way modify this requirement. I shall, however, permit all companies if they desire to do so to attach to their reports thus made up schedules based upon what they consider the valuations at which they should be accepted, as a matter of information to this Department, and shall give such schedules such consideration as in my judgment they are entitled to."

Idaho.—Action not yet taken.

Illinois.—Not yet decided.

Indiana.—"This Department will require all foreign companies doing business in Indiana, in making their statement of assets, to give as the value of their securities the market quotations of the same as of December 31, 1907. I shall also require each company to give to me in the same financial statement a statement of the cost of their securities. From these, together with their statement made in 1906, I shall be able to determine the question as to whether any particular company should or should not be relicensed to do business in the State of Indiana."

Iowa.—Not yet decided.

Kansas.—"No action has been taken by this Department in connection with the valuing of securities of the various insurance companies operating in this State. I presume that where the basis is fair and the action is taken with due consideration that the Western Commissioners will be guided largely by the action of the authorities of the States in which a particular company may be organized."

Louisiana.—"I have * * * * communicated to the executive committee of the Insurance Commissioners Convention that I would follow the plan adopted in their resolution, which I understand to be a proposition to value the securities of the insurance companies at the market values of December 31, 1906. I do not believe that a fair valuation would be given such securities if the present market values was adopted."

Maine.—Will accept December 31, 1906, valuations, reserving the right to require further information.

Maryland.—Valuations adopted by the companies at the close of the year 1906 will be accepted.

Michigan.—Postponed until after the meeting at Louisville, Ky.

Minnesota.—Postponed decision until after Louisville meeting and consultation of the Attorney-General. Some companies have been advised as follows: "I am not inclined to admit the valuation on the basis of values on December 31, 1906. I have no intention, however, of demanding a valuation which would make companies insolvent when they are entirely solvent if the maturity values of their securities are taken into account. I have also suggested to the different companies that they take the matter up with their home Departments, and stated that I will accept a report on the basis demanded by the home Department, reserving the right to make what changes I consider necessary in these values."

Mississippi.—"Following the past custom of the Insurance Department, which I think a sound one, I shall require, and accept, the certificate of the Insurance Commissioner where the company is domiciled as to its solvency and the correctness of its financial condition, for companies other than domestic. Of course, should the statement contain questionable items, I should take such steps as seemed proper to inquire into the same, and in such event would hold the statement until satisfactorily explained. As to domestic companies, I will appoint appraisers to pass on their securities, selecting men with a special fitness for the work."

Missouri.—No definite action taken. Commissioner has been quoted as follows: "I think as a general proposition it would be fair to take an average between the high-water mark of 1906 and the low-water mark of the present. And still this might perhaps, in some instances, be subject to modification. It is my opinion that the companies themselves should settle this question and each one furnish the basis of its valuation for each class of securities, so that the Department may know on what basis the figures are arrived at. At any rate, I should not be willing to say in advance that the figures of 1906 should be accepted now when in many instances it is quite certain that those figures cannot be realized again."

Nebraska.—Law requires statement of market values of assets as of December 31, 1907. "This Department will therefore require valuations to be made as of December 31, 1907. While the insisting upon this rule may reveal the impairment of some companies, yet unless there is shown to be a serious impairment of capital, I can say that no hasty nor ill-advised action will be taken by this Department."

New York.—The question is still under the consideration of the Insurance Department.

Ohio.—Decision postponed until after the Louisville meeting.

Pennsylvania.—"The Department advised companies under date of December 3 that it would accept valuations on the same basis as those reported as of December 31, 1906, and under date of December 12 the Commissioner says: 'This may, of course, be modified somewhat by the action of the Insurance Commissioners in Louisville on December 18.' "

Rhode Island.—"We are disposed to accept the statements of all companies upon the basis of a fair valuation without regard to the present market quotations affecting them, reserving, however, the right to change such valuations as may be made by the respective companies which to us may seem unjustified. We believe that the valuations as reported by the companies for the year 1906 more nearly represent the true value of such securities under normal business conditions, and in making our audit of the annual statements due consideration will be given thereto."

Texas.—"Insurance companies submitting reports to this Department for the purpose of securing licenses to transact business in this State must give the market value of their securities as of December 31, 1907."

Vermont.—Under the statutes the Department has little discretion in this matter, and will require that the basis of valuation will be the value as of December 31, 1907.

Virginia.—Will accept valuations placed upon securities in statements filed with the Department as of December 31, 1906.

Washington.—"This Department intends to accept the resolutions passed at a recent meeting of the Insurance Commissioners at New York, to the effect that the present valuations of securities held by insurance companies not being adequate, the valuation as reported December 31, 1906, will be accepted."

West Virginia.—No official action has been taken. The Auditor says: "We are of the opinion that the Insurance Department of each State should regulate these matters for the companies organized under the laws of such State, and that the other Departments should accept these rulings unless it should be found that the valuations placed by such Commissioner are not in accordance with the laws of such other States. At this time we are inclined to follow the course above outlined with respect to the companies entering West Virginia. We shall, of course, reserve the right to make a personal investigation of any securities that may appear excessively valued, or in case such valuations should conflict with our laws. The meeting of the Insurance Commissioners to be held at Louisville next week should be the means of bringing the various Commissioners to an understanding as to the course to be pursued, and I trust that we all shall be able to agree on a uniform system of valuations."

Wisconsin.—The question has not yet been fully decided.

Wyoming.—This Department is disposed to accept the recommendation of the Insurance Commissioners, but will reserve the right to make any changes in the securities, if in the opinion of the Department they are greater than they should be." (Letter dated December 16.)

Reform in Taxation.

The gathering of Insurance Commissioners and company officials at Louisville last week, was chiefly taken up with discussing the question of valuation of securities for annual statements. There was a conference on the question of taxation of insurance companies, and the committee adjourned, subject to the call of the chairman, H. R. Prewitt of Kentucky. Ralph Breckenridge, who spoke for the fire insurance interests, submitted a model act for discussion, providing for a two per cent tax upon net premiums after deducting losses and expenses, this tax to be in lieu of all other taxes, fees and licenses, except for real and personal property. In the meantime the companies may enter upon a campaign of education to show the policyholders, as was advocated editorially in The Spectator a few weeks ago, by statements attached to each policy issued, the amount by which the premium is increased by taxation above the amount necessary to maintain the Insurance Department.

—The Mercantile Mutual Fire of Spokane, Wash., is reported to be considering the writing of surplus lines.

—The remaining $50,000 of the $100,000 capital of the Empire Fire of Spokane will be due for payment within a few weeks.

—The Western department of the Ætna of Hartford is issuing tornado policies with a rider attached, indemnifying for damage by hail storms.

—It is expected that the Inland Fire of Spokane, Wash., will change from a mutual to a stock basis about January 1. It is anticipated that it will have $200,000 capital and $100,000 surplus.

—"Red Book" No. 124, of the British Fire Prevention Committee, describes "Fire Tests with Fire Extinguishers," dealing with and illustrating tests of "New Era" extinguishers, submitted for test by the Valor Company, Limited, of Aston Cross, Birmingham and London. Copies of the report may be had through The Spectator Company at $1.25 each.

—"Year-end" transactions and the utilization of "banking courtesies," etc., to help out assets or reduce liabilities are in distinct disfavor, and the Colorado Commissioner has issued a warning to companies reporting to his Department that if any such offense is discovered, and the facts fully established, it will be reported to the public and the full penalty of the law imposed.

—The Attorney-General of the State of Washington has ruled that foreign insurance companies doing business in that State are not compelled to file their articles both with the Secretary of State and the Insurance Commissioner so long as those offices are consolidated. When the new law becomes effective creating a separate Insurance Department the companies must file articles with both officials and pay the filing fee.

—A bill is before the Dominion of Canada Legislature which provides that investments by Canadian and foreign companies are allowed in government securities, in bonds of any company outstanding five years, secured by 25 per cent extra assets, and on which there has been no default; in debentures outstanding seven years without default; preferred stock having paid dividends of 4 per cent for seven years, and common stock having paid 5 per cent for ten years.

—As a result from the deposit law passed by the last legislature, eleven marine companies will retire from this State on January 1. These companies include the following: Wilhelma of Magdeburg, Alliance of Berlin, Upper Rhine Insurance Company, British American Assurance Company, North Deutsch Insurance Company, Maritime Insurance Company, World Marine Insurance Company, North China Insurance Company, L'Urmbeiso Insurance Company.

Casualty, Surety and Miscellaneous

American Surety Company Settles Large Claim.

The American Surety has admitted liability under the claim made by the State of Oregon against State Treasurer Steel and his surety for funds of the Commonwealth aggregating $408,389, which were deposited with the Title Guarantee and Trust Company of Portland and the Merchants National Bank of Portland, which suspended. The allegation is made that these institutions were looted. By the terms of settlement the American Surety is to pay the State of Oregon in full, $112,478 at once, and the balance, amounting to $295,911, with interest at five per cent, on or before December 31, 1909. The State Treasurer has been directed to file a new bond for $600,000.

Treasury Department Recommendations.

The Secretary of the United States Treasury, in his annual report, stated that the surety business of the Government has grown to such an extent that he considers it advisable to have a separate division for handling this business, with power to examine and investigate the companies doing business with the Government. The Secretary also makes the following recommendations:

Legislation terminating the liability of the sureties on a bond in regard to any future transaction after a new bond has been executed at the end of four years as required by law for the same class of disbursements is also desirable.

The law relating to the liability of the sureties upon the bonds of assistant treasurers should be amended so as to authorize a bonded deputy to act in the event of the decease of an assistant treasurer or to make the bond of the deceased officer liable for the act of the deputy until the appointment of a successor. Only the Treasurer of the United States can now act in the case of the death of an assistant treasurer. The law should also be amended which provides that the estate of a deceased customs officer shall be liable for the acts of his deputy. It is very embarrassing to the Government when such principal happens to have no estate. The law should specifically make the sureties upon the bond liable for the acts of the deputy of such deceased principal, or the deputy should be separately bonded.

The law prescribing the form of bond for customs officers should be repealed and the adoption of a proper form should be left to the Secretary of the Treasury, as are the forms of all other bonds under the department. Because of the fact that the form of bond of customs officers is recited in the law, it is necessary to require, in some cases, six or eight separate bonds from such officers for the disbursement of funds which might properly be assigned to them by the Secretary under one official bond, if their bonds as customs officers could be made broad enough to cover such disbursements.

Casualty Notes.

—W. J. McFail has resigned as superintendent of agencies of the United States Health and Accident.

—The Ocean Accident and Guarantee has issued a new set of general liability, elevator and workmen's collective policies.

—The Postoffice department has issued a fraud order on the Federal Indemnity and Identity Company of Columbus, Ohio.

—The New Amsterdam Casualty has asked the New York Insurance Department to make an examination of the company.

—The Farmers and Citizens Mutual Live Stock Insurance Company of Michigan City, Ind., has filed articles of incorporation.

—The Security Life and Accident Insurance Company, Birmingham, Ala., expects to begin business on January 1. John C. Pugh is president, and Alexis C. Craven, secretary. The company will write accident and industrial life insurance.

—According to the reports filed with the Public Service Commission, the traction companies in New York city have, during the past three

months, killed 155 persons and seriously injured 500 more. During November there were forty-five persons killed and 198 injured.

—The Inter-State Live Stock Insurance Company has been organized at Marietta, Ohio, with $100,000 capital. The officers are: Nelson Moore, president; E. Clark, Jr., vice-president; H. H. Burns, secretary; I. O. Alcorn, treasurer.

—Companies representing ninety per cent of the burglary insurance business met in Philadelphia last week to discuss important questions relating to that line. The committees to whom the matters under discussion were referred will report late in January.

—The Union Accident and Casualty Company of Philadelphia will have its permanent offices in the Manhattan Life building, corner of Fourth and Chestnut streets. Temporary offices have been located in the West End Trust building. The company will be ready early next year.

—The United States Health and Accident is putting a number of salaried agency directors in the field. W. J. Loftus, formerly with the North American Accident, has been appointed agency director at Chicago. The company is pushing all its lines vigorously.

—The casualty company organizing in Detroit under the name United States Casualty Company has decided to change its title to United States Indemnity. The United States Accident Association and the Pittsburg Sick and Accident Union will be consolidated in the new company. Secretary McGraw of the United States Accident Association, and Jacob Guthard of J. Guthard & Son, will be officers of the new company.

—The Missouri Life and Accident Company of St. Louis, which will transact an assessment, health, accident and life insurance business, has been chartered and is about ready to begin operations. The officers are: W. A. Johnson, president; J. A. Walker, secretary and treasurer; James C. Jones, general counsel. Mr. Johnson was formerly connected with the National Life and Accident as Louisville manager, and Mr. Walker was with the Kentucky Central Life and Accident.

Surety Notes.

—The Massachusetts Bonding and Insurance Company is preparing to extend its field westward.

—The Farmers and Citizens Live Stock of Lima, Ohio, has $32,000 of its $100,000 capital paid in and expects to begin business early next year.

—President William B. Joyce of the National Surety has addressed a letter to Congress opposing any modification of the present regulations restricting any one surety company to writing bonds for ten per cent of its combined capital and surplus.

—The Washington Surety and Trust Company has been organized at Oklahoma City with a capital stock of $500,000. The incorporators are: W. S. Wolverton of Ardmore; W. A. Wolverton, H. R. Morris, S. B. Searcy, F. R. Wolverton, C. E. Johnson, J. H. Ready and A. P. Crockett of Oklahoma City; D. Fitzgerald of New York.

—The Treasury department has under consideration a proposal to make it impossible for any customs broker to sign bonds as surety to an amount greater than his actual assets. This proposed change in the method of doing business has stirred up a strong opposition among the custom house brokers and the matter has been referred to the New York Chamber of Commerce and the Merchants Association.

—John P. Walker, ex-treasurer of Vanderburg county, Ind., was recently found to be short $60,000 of the county's funds. At the first trial of his case the jury disagreed and the surety company on his bond stated that it would not pay the claim unless Walker was found guilty. Walker was tried again and acquitted in spite of the fact that he is said to have admitted that he took the money and sunk it in gold mines, baseball, poker and street fairs. He claims, however, that he had no felonious intent. As Walker has lost both legs and has a wife and four children, it is thought that sympathy played a considerable part in the case. The surety company takes the position that as he was acquitted of taking the money, there was none taken and therefore there was no shortage.

TOO LATE FOR CLASSIFICATION.

—Herbert R. Clough has been appointed manager of the accident and health department of the Empire State Surety. Mr. Clough will also act as superintendent of agencies. Mr. Clough has had seventeen years' experience in casualty insurance lines here and abroad.

REPORTS OF FIRE INSURANCE COMPANIES.

In this department will appear, from week to week, the latest statements of licensed and unlicensed fire insurance companies operating in the United States, together with other information concerning them of interest to policyholders, company officials, agents and brokers. The data presented in this department will also be published in the form of a monthly supplement to the book entitled "Reports of Fire Insurance Companies," which is published annually, in June, by The Spectator Company. Prices: Book, with monthly supplements, one year, $7; book only, $5; monthly supplement only, $2 per annum.

City of Jefferson Mutual Fire Insurance Company, Jefferson, Wis.

This company has reinsured all its business in the Michigan Commercial of Lansing, and will retire. On December 31, 1906, it had $506,113 of risks in force, and its premium income in 1906 was $6029.

Freeholders Fire Insurance Company, Topeka, Kan.

The Freeholders Fire has increased its capital stock to $200,000, and will enter New York State after the first of the year.

Hearts of Oak Life and General Assurance Company, Ltd., London, Eng.

During the year ended June 30, 1907, the fire business of this company yielded premiums aggregating £10,440 and a net profit of £2038. The assets June 30 amounted to £108,344, including an "establishment and extension of business account" balance of £74,556. The paid-in capital amounted to £83,169. Aside from the account above named, the assets were: Cash, £7373; Indian government securities, £20,000; fixtures, furniture and lease, £1655; outstanding premiums, £4165; interest, £21; stationery, £500; policy stamps, £73. The liabilities embraced a life assurance fund of £9244; fire fund, £8410; other insurance fund, £739; claims, £800; deposits, £74; dividends unpaid, £130; sundry creditors, £4636, leaving a profit and loss account balance of £1142.

Law Car and General Insurance Corporation, Ltd., London, Eng.

This company is preparing to write some business in the United States, and has appointed John L. Dudley, Jr., of New York, its United States attorney and general agent. The company was organized in 1906 to write fire, accident, motor and general insurance. Its registered capital is £100,000, of which, at date of latest information, £8901 were subscribed, and £5850 paid up. C. J. Fowler is managing director and secretary.

Mercantile Fire Insurance Company, Little Rock, Ark.
Standard Fire Insurance Company, Fordyce, Ark.

A meeting of the stockholders of the Mercantile Fire of Little Rock has been called for an early date to consider the proposition of merging with the Standard Fire of Fordyce and transferring the home of the former to Fordyce. Both companies are controlled by A. B. Banks of Fordyce.

Premier Insurance Company, Ltd., London, Eng.

On September 30, 1907, the assets embraced in the statement of this company aggregated £13,333, including cash, £1283; investments, £2598; due from agents, £2673; due from insurance companies, £3754; furniture, £238; organization and development account, £2787. The "organization and development account" stood at £2484 at the beginning of the fiscal year, and £1000 were added to it during the year (and omitted from expenses), making a total of £3484, of which one-fifth was written off, bringing it down to £2787. The liabilities included £10,000 of paid apital, and £1659 due sundry creditors, leaving a balance from revenue account of £1674. Premiums amounted to £20,612 net; losses to £9659, and expenses (including £697 written off), £10,414.

Union Insurance Company, Philadelphia.

The report of the examination of this company by the Pennsylvania Insurance Department shows total admitted assets of $920,772; unearned premiums, $493,332, and a net cash surplus over all liabilities, including $200,000 capital, of $75,000. Speaking of the contract between the Union and the Underwriters Securities Corporation, the report says: * * * "At no time, under this contract could the Union be insolvent, according to the Pennsylvania law. As long as the Securities Company is the owner of 8400 shares of the Union it is hardly conceivable that it would claim all the surplus at any one time. Nevertheless, the obligation of the Union to the Securities was made between two corporations, and would stand just the same if the Securities Company was not the owner of any Union stock. The ownership of the stock is not material. The right of the Securities Company to claim all the surplus until the debt is paid, and the fact that the Union could have no surplus until this occurs, seems to us plain. The liability of the Securities Company to the Pennsylvania Fire has grown from the original $150,000 to $543,000 on November 19, with only a few cases not settled. Accordingly, we have suggested to the two corporations that the contract be changed in such a way as to remove these difficulties. This was readily agreed to, and on November 30 a new contract was entered into. By this new contract the Union agrees to pay the Securities Corporation the sums, with interest, advanced by the Securities Corporation to the Pennsylvania Fire on account of the reinsurance loss if, and only if, the Union can pay such principal and interest out of its earnings without reducing its surplus below the sum of $75,000. The surplus of the Union can therefore never exceed $75,000 until the entire obligation to the Securities Corporation is wiped out."

THE SPECTATOR

A WEEKLY REVIEW OF INSURANCE.

FORTNIGHTLY LIFE INSURANCE SUPPLEMENT

Devoted to Life Insurance and the General Interests of Life Underwriting, Comments on Current Events, Suggestions and Hints for Field Workers, Technical Matters for Home Office Consideration, and Information as to What is Going On in Office and Field

ISSUED EVERY OTHER THURSDAY AS A SUPPLEMENT TO THE SPECTATOR.

New York, Thursday, July 4, 1907.

ANNUAL AND DEFERRED DIVIDENDS*

Dividends Paid to Policyholders in 1906 by Life Insurance Companies on Policies Issued in the Years 1876 to 1905 Inclusive, on the Ordinary Life, Twenty-Payment Life and Twenty-Year Endowment Plans per $1,000, at Ages 25, 35, 45 and 55 at date of issue.

(Continued from THE SPECTATOR, June 27, 1907.)

Union Mutual Life

ANNUAL DIVIDENDS—TWENTY-PAYMENT LIFE, $1000

YEAR OF ISSUE	1905		1904	1903		1902	1901
AGE.	Prem.	Div.	Div.	Prem.	Div.	Div.	Div.
25	30.95	4.01	4.06	31.83	4.24	4.31	4.38
35	37.35	4.83	4.91	38.34	5.12	5.20	5.28
45	47.39	6.13	6.23	48.52	6.47	6.57	6.69
55	65.34	8.44	8.58	66.69	....	8.97	....

YEAR OF ISSUE	1900		1899	1898	1897	1896	1895
AGE.	Prem.	Div.	Div.	Div.	Div.	Div.	Div.
25	28.10	3.89	3.95	4.02	4.08	4.15	...
35	35.00	4.86	4.94	5.02	5.10	5.19	....
45	46.20	6.41	6.51	6.60	....	....	....
55	66.60	9.12	....	9.35	....	....	....

ANNUAL DIVIDENDS—TWENTY-YEAR ENDOWMENT, $1000

YEAR OF ISSUE	1905		1904	1903		1902	1901	1900	
AGE.	Prem.	Div.	Div.	Prem.	Div.	Div.	Div.	Prem.	Div.
25	49.11	6.37	6.49	50.53	6.80	6.93	7.06	48.70	6.91
35	51.11	6.64	6.75	52.47	7.05	7.18	7.31	50.90	7.19
45	56.00	7.26	7.38	57.32	7.68	7.80	7.93	.....	....

YEAR OF ISSUE	1899	1898	1897	1890		1889	1888	1887
AGE.	Div.	Div.	Div.	Prem.	Div.	Div.	Div.	Div.
25	7.05	....	....	47.68	8.27	8.69	....	9.16
35	....	7.47	7.62	49.79	....	....	9.18	9.43
45	....	....	....	55.04	....	9.60	9.83	....

DEFERRED DIVIDENDS.—Fifteen-Year Period, Ordinary Life: Age, 35; Annual Premium, $27.10; Dividend, $66.71. Age, 45; Annual Premium, $39.10; Dividend, $95.85. Twenty-Payment Life: Age, 25; Annual Premium, $28.10; Dividend, $72.07.

UNITED STATES LIFE

RESERVE BASIS.—American 3½% since 1900. Combined 4% prior.

ANNUAL DIVIDENDS—$1000

	ORDINARY LIFE.		TWENTY-PAYMENT LIFE.		TWENTY-YEAR ENDOWMENT.	
YEAR OF ISSUE	1905		1905		1905	
AGE.	Premiums.	Dividends.	Premiums.	Dividends.	Premiums.	Dividends.
25	21.10	2.11	30.10	3.01	50.00	5.00
35	.....	....	36.70	3.67	51.90	5.19
45	38.80	3.88	.....	....	57.00	5.70

10% of Annual Premium. Only 1905 given

United States Life

DEFERRED DIVIDENDS, $1000

	ORDINARY LIFE.		TWENTY-PAYMENT LIFE.		TWENTY-YEAR ENDOWMENT.	
DIVIDEND PERIOD	Twenty-Year Period.		Twenty-Year Period.		Twenty-Year Period.	
AGE.	Premiums.	Dividends.	Premiums.	Dividends.	Premiums.	Dividends.
25	.....	......	27.39	130.00	47.68	251.00
35	26.38	132.00	34.08	161.00	49.79	235.00
45	37.97	190.00	.....	......	.....	......

WASHINGTON LIFE

RESERVE BASIS.—American 3½% since 1897. American 4%, 1881-1897. Combined 4½% prior.

ANNUAL DIVIDENDS—ORDINARY LIFE, $1000

YEAR OF ISSUE	1905		1892		1889		1888	1887
AGE.	Prem.	Div.	Prem.	Div.	Prem.	Div.	Div.	Div.
25	.....	....	.....	....	19.89	2.52	2.57	2.63
35	.....	....	27.10	2.71	26.38	3.47	3.55	3.63
45	39.36	2.44	.....	....	37.97	5.01	5.11	5.21
55	.....	....	.....	....	59.91	7.55	7.67	....

YEAR OF ISSUE	1886	1885	1884	1883	1882	1881	1880	1879
AGE.	Div.	Div.	Div.	Div.	Div.	Div.	Div.	Div.
25	3.14	3.43	3.75	3.83	3.92	4.01	4.31	4.41
35	4.33	4.75	....	5.29	5.40	5.52	5.91	6.04
45	6.20	....	7.35	....	7.61	7 74	8.26	8.39
55	....	....	....	....	....	....	....	12.05

YEAR OF ISSUE	1878	1877	1876	1871	1866		1861
AGE.	Div.	Div.	Div.	Div.	Prem.	Div.	Div.
25	4.51	4.61	....	5.26	19.63	6.06	13.42
35	6.16	6.28	6.41	7.01	26.49	8.34	.....
45	....	8.64	8.76	9.35	38.46	11.09	.....
55	....	9.07	....	13.09	.....	.....	.....

ANNUAL DIVIDENDS—TWENTY-PAYMENT LIFE, $1000

YEAR OF ISSUE	1905		1890		1889		1888
AGE.	Prem.	Div.	Prem.	Div.	Prem.	Div.	Div.
25	30.25	1.72	28.10	2.94	27.39	3.64	3.76
35	36.87	2.11	.....	....	34.08	4.64	4.79
45	.....	....	46.20	4.97	45.03	....	6.31

Washington Life

Annual Dividends—Twenty-Payment Life—*Continued*

Year of Issue	1887	1886	*1885	1884	1883	1882	1881
Age.	Div.	Div.	Div.	Div.	Div.	Div.	Div.
25	3.88	....	.74	....	....	.80	.82
35	....	5.11	....	....	.99	1.02	1.04
45	....	....	....	1.20	1.22	....	1.27

* Dividends prior to 1886 are on paid-up policies.

Year of Issue	1880	1879	1878	1877	1876	1871	1866
Age.	Div.	Div.	Div.	Div.	Div.	Div.	Div.
25	.84	....	.88	.90	.93	.. .	....
35	1.06	1.09	....	....	1.16	....	....
45	....	1.32	....	....	....	....	....

ANNUAL DIVIDENDS—Twenty-Year Endowment, $1000

Year of Issue.	1905		1903	1889		1888	1887	1886
Age.	Prem.	Div.	Div.	Prem.	Div.	Div.	Div.	Div.
25	50.18	....	2.75	47.68	6.66	9.28	9.69	10.12
35	52.13	2.69	....	49.79	7.02	9.75	10.16	10.60
45	.....	....	....	55.04	....	10.69	.....	.....

DEFERRED DIVIDENDS—Ordinary Life, $1000

	Five Years.					
Dividend Period	First Period.		Second Period.		Fifteen-Year Period.	
Age.	Premiums.	Dividends.	Premiums.	Dividends.	Premiums.	Dividends.
25	.....	.....	.....	.....	.....	.....
35	.....	.....	26.38	39.01	27.10	45.24
45	.....	.....	.....	.....	.....	.....
55	60.82	20.71	.....	.....	.....	.....

	Twenty-Payment Life.				Twenty-Year Endowment.	
	Five Years.					
Dividend Period	First Period.		Second Period.		Ten-Year Period.	
Age.	Premiums.	Dividends.	Premiums.	Dividends.	Premiums.	Dividends.
25	.....	.....	.....	.....	.....	.....
35	.....	.....	35.00	13.11	.....	.....
45	47.42	15.18	46.20	17.82	55.04	47.09

METHODS OF DIVIDEND CALCULATION

In submitting the dividend schedules to the insurance departments the companies are required to attach an explanation showing precise methods by which dividends were calculated. The following pages contain the explanations filed by the several companies, covering both annual and deferred dividends.

ÆTNA LIFE INSURANCE COMPANY.

Illustration showing general method in apportioning annual dividends, paid in 1906, to policies issued prior to 1901.

Twenty-year endowment, age 35, premium per $1000, $47.14, tenth annual dividend.

	Debit.	Credit.
Premium paid	......	$47.14
Charge for expenses	$5.66	......
Net premium to reserve	38.80	......
Gain from surplus interest on initial reserve ($377.27) and from other sources	......	3.90
Dividend	6.58	....
Total	$51.04	$51.04

FIRST TEN-YEAR DIVIDEND.

Illustration of dividend paid on an annual terminal endowment policy for $1000 at age 35, issued in 1896.

1st	Regular dividend	$4.78
	Gain from lapsed and dead	2.19
	Total dividend in 1897	$6.97
2nd.	Interest	.28
	Regular dividend	5.31
	Gain from lapsed and dead	.28
	Total dividend in 1898	$12.84
3d.	Interest	$0.51
	Regular dividend	5.56
	Gain from lapsed and dead	4.08
	Total dividend in 1899	$22.99
4th.	Interest	$0.92
	Regular dividend	4.52
	Gain from lapsed and dead	......
	Total dividend in 1900	$28.43
5th.	Interest	$1.14
	Regular dividend	4.72
	Gain from lapsed and dead	......
	Total dividend in 1901	$34.29
6th.	Interest	$1.37
	Regular dividend	4.17
	Gain from lapsed and dead	1.32
	Total dividend in 1902	$41.15
7th.	Interest	$1.65
	Regular dividend	4.32
	Total dividend in 1903	$47.12
8th.	Interest	$1.88
	Regular dividend	4.46
	Total dividend in 1904	$53.46
9th.	Interest	$2.14
	Regular dividend	4.61
	Total dividend in 1905	$60.21
10th.	Interest	$2.41
	Regular dividend	4.77
	Dividend due in 1906	$67.39

Illustration showing general method employed in apportioning quinquennial dividends, paid in 1906, to policies issued in 1901.

Twenty-year endowment, age 35, premium per $1000, $49.89.

	Debit.	Credit.
First premium	......	$49.89
Expense charge	$20.46	
Interest credit	......	1.26
Gain from withdrawals	......	5.39
Net charge for insurance	4.17	......
Second premium	......	49.89
Expense charge	7.49	......
Interest credit	......	3.12
Gain from withdrawals	......	1.72
Net charge for insurance	5.77	......
Third premium	......	49.89
Expense charge	7.49	......
Interest credit	......	4.85
Gain from withdrawals	......	1.76
Net charge for insurance	6.36	......
Fourth premium	......	49.89
Expense charge	7.49	......
Interest credit	......	6.62
Gain from withdrawals	......	1.58
Net charge for insurance	7.55	......
Fifth premium	......	49.89
Expense charge	7.49	......
Interest credit	......	8.43
Gain from withdrawals	......	......
Net charge for insurance	7.36	......
Reserve, end of fifth year	180.15	......
Dividend, end of fifth year	22.40	......
	$284.18	$284.18

SECOND QUINQUENNIAL DIVIDEND.

Illustration of dividend paid in 1906 on a 20-payment terminal endowment policy for $1000 at age 35, isued in 1896.

6th.	Regular dividend	$4.61
	Gain from lapsed and dead	.15
	Total dividend in 1902	$4.76

7th.	Interest	\$0.19
	Regular dividend	4.84
	Gain from lapsed and dead	.11
	Total dividend in 1903	\$9.90
8th.	Interest	\$0.39
	Regular dividend	5.07
	Gain from lapsed and dead	.14
	Total dividend in 1904	\$15.50
9th.	Interest	\$0.62
	Regular dividend	5.32
	Gain from lapsed and dead	.12
	Total in 1905	\$21.56
10th.	Interest	\$0.86
	Regular dividend	5.57
	Dividend due in 1906	\$27.99

BERKSHIRE LIFE INSURANCE COMPANY.

Annual Dividends on Whole Life Policies.—Balance of loading after deducting an amount equal to fifteen (15) per cent of actual premium, surplus interest one-half (½) of one per cent, also fifteen per cent of cost of insurance.

All Other Policies.—Balance of loading after deducting a charge of seventeen and one-half (17½) per cent actual premium, other factors same.

Five-Year Policies.—An amount equal to five (5) annual dividends plus current rate of interest and an addition from the surplus which the lapsed and surrendered policies would have been paid if they had been annual dividend policies since their last dividend.

CONNECTICUT GENERAL LIFE INSURANCE COMPANY.

On policies issued prior to January 1, 1901, the annual dividends declared are a return of a percentage of the gross premium paid, such percentage varying with the age at issue, plus, in the case of life policies, one per cent of the terminal reserve of the preceding policy year on the Actuaries' Mortality Table at four per cent, and on endowment policies one-half of one per cent of the corresponding terminal reserve. When a policy becomes full paid there is a dividend returned only on account of excess interest earned on the reserve.

Under policies issued subsequent to January 1, 1901, a dividend is paid at the commencement of the third year. Such dividend is made up of the loading on the premium, less ten per cent of the gross premium required to cover expenses, plus the surplus derived from interest earned in excess of the rate upon which premiums are based, which is returned in proportion to the reserves upon which such interest was earned, being computed as one per cent on the preceding year's terminal reserve according to the American Experience Table of Mortality at 3½%.

EQUITABLE LIFE ASSURANCE SOCIETY OF THE U. S.

Annual Dividends.—The dividends tabulated in Schedule "I" cover all classes of policies that were in force in the year 1906 upon which dividends were payable.

Our present rates of premium have been in existence from the year 1896 and are based on the American Table of Mortality with 3% interest.

The dividends comprise 10% of the cost of insurance on the American 3% table, together with 20% of the loading by the same table, and 1% of the American 3% reserve at the beginning of the policy year.

The above method of distribution applies to the 3% contracts issued from the year 1896.

Deferred Dividends.—On policies in the deferred dividend classes, a special account is kept of receipts and disbursements, so that the amount of the deferred dividend fund—that is the amount of assets derived from policies in the deferred dividend classes—can be ascertained for the end of every year. The deferred dividend fund is credited with all premiums received on deferred dividend policies, is charged with a proper proportion of the expenses, receives credit for interest on its accumulations proportionate to that earned on the total funds of the society, and is charged with losses by death on deferred dividend policies, and the values of such policies as reach the end of their dividend periods, or are surrendered previous to that time. At the end of every year, the total amount of the deferred dividend fund, and the total amount of reserve and other liabilities on deferred dividend policies are calculated and the difference between these amounts is the surplus derived from deferred dividend contracts.

As deferred dividend policies, after completing their periods, cannot participate in future divisions of deferred dividend surplus careful computations are made of the amounts to be apportioned to policies at the end of their dividend periods. It would apparently have simplified the calculations to have made separate classes for every year of issue of policies with the same features and conditions, so that there would have been no mingling of the claims of policies leaving a class with the claims of policies remaining in the class; but an insuperable objection to this plan is, that in small numbers, and even in numbers of considerable magnitude, irregularities will arise which would be troublesome in practice, and would cause grave suspicion of unfairness, while it is desirable in all life insurance calculations to take advantage of the largest averages attainable.

It was decided, therefore, that all policies with similar conditions, no matter in what year issued, should be classified together for the purpose of determining the proper amounts of dividends to be apportioned, and the following plan was adopted: Rates of interest, mortality, expenses, lapse and surrender, were assumed, based upon past experience. On the basis of these rates, calculations of the amount of surplus which would be realized on policies taken out at every age, and of every kind, at the end of their dividend periods, were made, and estimated surpluses were computed for the issues of every year at the end of every year during their periods. By simply uniting these computations we can readily ascertain in any year, the expected, or estimated, surplus on the entire amount of the deferred dividend policies included in the various classes. The total expected surplus, when connected with the total actual surplus, which is ascertained as described above, gives a ratio which is applied to the estimated surplus on policies at the end of their periods, and in this manner we obtain the actual surplus which is apportioned to such policies.

FIDELITY MUTUAL LIFE INSURANCE COMPANY.

Annual Dividends.—The principle of the contribution plan is followed, with gains from mortality and interest equated, during the period in which dividends are to be paid on premiums.

The surplus accumulations during the first five policy years are held as undistributed surplus or emergency reserve. A table has been constructed on the company's experience as to mortality and interest, from which are calculated the net premiums necessary to cover the current cost of the net risk and provide the values guaranteed. The difference between the premium so calculated and the actual net premium collected on a policy is used as the basis for dividend apportionment, corrected annually by savings from loadings, lapses and surrenders, and subject to adjustment each five years for changes in rate of mortality and rate of interest.

The company began issuing annual dividend business in the year 1899, consequently only the issues of 1899, 1900 and 1901 have received dividends.

Deferred Dividends.—On deferred dividend plans no credits are made to the different classes, series and plan groups, until the end of the fifth policy year.

Annually after the fifth year a credit from general surplus equal in amount to the cash dividend allowed on corresponding annual dividend policies is made. The sum of the credits on account of each individual policy in a class constitutes the fund of the class, and to the funds thus set aside, interest in accordance with the company's experience is annually added, and the total funds so obtained carried as a liability to be shared between the survivors only at the end of the accumulation periods, as provided in the respective policy contracts.

The share of individual policyholders at the end of the accumulation periods will be in proportion to their contribution.

The company began issuing deferred dividend business in the year 1899 consequently only the issues of 1899, 1900 and 1901 have received credits.

GERMANIA LIFE INSURANCE COMPANY.

Dividends to Policyholders.—Surplus earnings for the declaration of dividends to policyholders are assumed to be derived from two sources, viz:—

1. Interest earnings in excess of legal reserve requirements.
2. Savings from loading on the net premiums.

I. Dividend plan for policies issued prior to February 1, 1902:

Interest gain = 1% of the initial reserve (Actuaries' 4%).

Saving from loading = loading — 15% of the annual premium in the case of whole life policies.

— 12% of the annual premiums in the case of endowment policies.

\+ 5% interest on the balance for one year.

The sum of these two items, less \$1, for general expenses, per policy, is used as a "standard dividend."

II. Dividend plan for policies issued since February 1st, 1902:

Interest gain = 1% of the initial reserve (Am. Exp. 3%).

Saving from loading = 40% of such loading.

The sum of these two items less \$1—, for general expenses, per policy, is the "standard dividend."

III. Declaration of dividends by the board of directors, at its meeting held on the fourth Wednesday in October of each year, for the ensuing year.

A balance sheet is submitted in said meeting, showing the exact condition of the company on the preceding 30th day of September.

On the basis of such balance sheet and a statement, showing the standard dividend for all insurances entitled to participation in profits in the following year, a sum is set aside for apportionment in such year. Such sum is either equal to the full standard dividend as determined by calculation or to so many per cent thereof as the present condition and future requirements seem to warrant.

Annual Dividends.—In the case of annual dividend policies the dividends so declared are payable in cash, or may be used to purchase a paid-up addition to the policy.

Deferred Dividends.—Under deferred dividend policies the dividends so declared are assigned to the various classes and separately entered opposite each policy. The aggregate amounts are shown in the exhibit "Dividends Apportioned, Payable to Policyholders in 1907 or subsequent to 1907," accompanying the annual statement. Interest at a rate about equal to that currently realized by the company has been added each year up to the year 1906. In 1906 the rate used was 4%.

Dividends on policies discontinued, for any cause, are forfeited to the respective fund accumulated in any one class.

The fund is divided at the end of the period among the policies maintained in full force under the original conditions, in proportion to the share of each policy in the total fund.

No dividend is declared on the premium for the first policy year.

Premium taxes, at the rates imposed by the different States, are deducted from the yearly dividends.

HOME LIFE INSURANCE COMPANY.

The method used by the Home Life Insurance Company in calculating dividends is as follows:

The effective rate of interest having been determined, the loading is increased by that percentage.

This amount is further increased by taking a percentage of the initial reserve of the policy year on which the dividend is to be declared equal to the difference between the effective rate of interest and the rate required for valuation purposes.

A percentage of the office premium for expenses, is deducted from the resulting amount, the remainder being the dividend.

In a company of this size, the mortality gains are deemed to be suspended gains and are not considered in the distribution of surplus.

The correctness of the method and of the factors used is checked by the slight accretions from year to year in the increase of surplus held by the company.

Deferred Dividends.—These dividends are obtained by accumulating the cash dividends, according to a table based on the actual experience of the company.

Dividends are declared annually on all policies entitled to participate in the surplus of the company.

In the case of deferred dividend policies, these annual dividends are accumulated to the end of the term elected by the insured in his application for the policy. Such accumulations are contingently credited to the individual policy and are payable only in the event of the insured surviving the period and the policy remaining in force under its original terms and conditions.

The present value thereof is held as a liability and is included in the certificate of valuation from the State Insurance Department.

MANHATTAN LIFE INSURANCE COMPANY.

Annual Dividends.—In apportioning annual dividends, The Manhattan Life has followed, for many years, the usual practice of other American companies, and employs the general principles of the contribution formula. The dividend is composed of three elements, as follows:

First—The portion of loading remaining after making deductions for expenses.

Second—A gain from interest earnings having been more than that called for by the reserve table.

Third—A gain from the mortality having been less than that called for by the table.

The profits from lapse and surrender are applied toward the gross expenses of the company; also a portion of the mortality gains and other incidental profits.

Deferred Dividends.—For many years past, in making up the apportionment for deferred dividend policies heretofore paid at the completion of their dividend periods, they were given dividends calculated in the same manner as annual dividend policies plus interest and plus the policies' share of the dividends that would have been earned by deferred dividend policies that have been terminated by lapse, death or otherwise.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY.

Premium-paying Policies.—(a) The expense charge is taken as 17 per cent on the premiums of the principal part of the business. On certain groups of short endowments, and on some of the oldest life policies, this rate is graded down, the minimum being 13 per cent. This expense charge is deducted from the loading of each premium and the balance, improved at 4 per cent, is the first element of the dividend.

(b) The mortality saving on that part of the business based on the Actuaries' 4 per cent table is taken as $16\frac{2}{3}$ per cent of the tabular cost of insurance; on that part of the business based on the American $3\frac{1}{2}$ per cent table, the mortality saving is taken as 8 per cent of the tabular cost of insurance for the first year, and 10 per cent for the second and subsequent years.

(c) Surplus interest is based on an earning of $4\frac{3}{4}$ per cent.: that is to say, on the Actuaries' 4 per cent business $\frac{3}{4}$ per cent interest on the reserve is returned, on the American $3\frac{1}{2}$ per cent business $1\frac{1}{4}$ per cent is returned.

The three items above indicated are added together to make the dividend.

Paid-up Policies.—Paid-up policies of not less than $100 participate in surplus, the Actuaries' 4 per cent business receiving as a dividend $\frac{1}{2}$ per cent of the initial reserve, and the American $3\frac{1}{2}$ per cent business receiving as a dividend 1 per cent of the initial reserve.

MUTUAL BENEFIT LIFE INSURANCE COMPANY.

Dividends.—Actual rate of interest earned on invested reserves, 4.8 per cent (net) on premium-paying policies, and 4.7 per cent on paid-up policies.

Expense charge against premium-paying policies not more than 20 years old, 15 per cent on the ordinary life rate, plus 12 per cent on excess premiums, except in case of 10-year endowments, where the charge on excess premiums is 10 per cent. On premium-paying policies more than 20 years old, the expense charge based on the ordinary life rate is reduced by 2 per cent for each year after the 20th year, and the expense charge against excess premiums does not exceed the rate of expense charged against the ordinary life rate.

Actual death losses, 90 per cent of expectation, by the American Experience Table of Mortality.

MUTUAL LIFE INSURANCE COMPANY.

Annual Dividends.—All annual dividends in 1906 on premium-paying policies consisted of the following two parts: (1) a refund to the insured of that part of the premium, paid one year earlier, which the company had been able to save during the policy-year, and (2) any excess interest earned on the initial reserve of the policy-year over and above the rate at which the reserve accumulated, the reserve being "American 4 per cent" reserve for policies issued prior to January 1st, 1898, and "American $3\frac{1}{2}$ per cent" reserve for policies issued on or after that date. In the case of paid-up policies, each annual dividend consisted solely of excess interest earned on the policy reserve at the commencement of the policy-year.

The refund of excess premium was calculated as a percentage of the loading contained in the tabular annual premium, the percentage being the same for all policies which had been the same number of years in force, but increasing with each year's duration of the policy. In the case of policies issued prior to January 1st, 1898, the loading of which the percentage was taken was the loading contained in the tabular annual premium rate charged during the years 1885 to 1897, both inclusive (the "1885 rate"), and, where a different tabular annual premium rate was paid, the difference between such rate and "1885 rate" was deducted from, or added to, the dividend according to whether such rate was less than, or greater than, the "1885 rate."

The rate of interest used in the dividend calculations of 1906 was 4.1 per cent, so that the excess interest was 0.1 per cent for policies issued prior to January 1st, 1898, and 0.6 per cent for those issued on or after that date.

Deferred Dividends.—These dividends were calculated in the method explained in the resolution of the insurance committee of this company which was adopted and ratified by the board of trustees on March 28th, 1906, of which the following is a copy:

Resolved, That the method heretofore followed in the annual distribution of surplus for computing the dividends accruing upon policies whose periods are then maturing shall be continued hereafter; namely, the annual dividends which might have been declared during the period on each policy, had such policy been entitled to annual dividends, to be accumulated with compound interest at the effective rate employed for such purpose by the company in its dividend calculation of these years respectively, and the amount so ascertained to be increased by percentages graded mathematically according to the ages of the insured, by way of compensation for the risks incurred by the holders of such policies, during such period, of losing all interest in the surplus by death or discontinuance, provided that policies containing guarantees of surrender values payable at the end of a period which are greater than the reserves on similar annual dividend policies shall have the accumulated amount so found reduced by the amount of excess of such values over such reserve.

That part of the resolution which reads as follows: "Policies containing guarantees of surrender values payable at the end of a period which are greater than the reserves on similar annual dividend policies shall have the accumulated amount so found reduced by the amount of excess of such values over such reserve," applies only to 15 and 20 year distribution policies issued from January 1st, 1899 to December 31st, 1906, so that no such policy is entitled to a dividend in the year 1906.

The long term distribution dividends of 1906 were based on the annual dividends allotted each year to otherwise similar policies, taken out in the same calendar years, and at the same ages at issue, but which were entitled by contract to receive dividends annually, and they were calculated from these annual dividends (1) by accumulating them at compound interest, up to the end of the distribution period, at the effective rates employed by the company in its dividend calculations, and (2) by increasing the accumulated amount of such annual dividends by percentages, graded mathematically according to the age of the insured, as recompense for the risks run during the distribution periods of losing all surplus by death or discontinuance.

NATIONAL LIFE INSURANCE COMPANY OF VERMONT.

In calculating dividends, the so-called contribution method was used, which recognizes three factors of distribution, to-wit: vitality gains, interest gains and expense savings. Factors were adopted which would insure, it was thought, a dividend scale that could be maintained and thus provide a rising dividend and admit of such changes as experience might develop from year to year.

NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY.

Annual Dividends.—Dividends were calculated according to the contribution formula, of which the values of the elements for 1906 were as follows: Expense charge $12\frac{1}{2}\%$; mortality gain $21\frac{1}{2}\%$; surplus interest based on $4\frac{1}{2}\%$.

Deferred Dividends.—Regular surplus (exactly corresponding to annual dividends on similar annual dividend policies) is calculated for the separate policies of each class year by year throughout their respective deferred dividend periods.

Surplus forfeited in accordance with policy provisions by terminations of deferred dividend policies is also year by year throughout the period duly and accurately ascertained, and an exact apportionment thereof, year by year, made of the separate policies of the several classes according to the risk of forfeiting surplus incurred by each policy. The aggregate is year by year improved at interest throughout the period, and at the end thereof the final result is the deferred dividend.

THE SPECTATOR

A WEEKLY REVIEW OF INSURANCE.

FORTNIGHTLY LIFE INSURANCE SUPPLEMENT

Devoted to Life Insurance and the General Interests of Life Underwriting, Comments on Current Events, Suggestions and Hints for Field Workers, Technical Matters for Home Office Consideration, and Information as to What is Going On in Office and Field

ISSUED EVERY OTHER THURSDAY AS A SUPPLEMENT TO THE SPECTATOR.

New York, Thursday, July 18, 1907.

DETERMINATION OVERCOMES OBSTACLES.

By A Western Agent.

Some months ago I met a successful solicitor under conditions that enabled me to become intimately acquainted with him and he told me the story of his somewhat unique experiences. He said:

"My father had made a remarkable success as a merchant and before I was through school he made it clear to me that he wished me to become a gentleman and a scholar and to do the family credit. With this encouragement and a natural inclination, I plunged into books and soon had a reputation for being an encyclopedia of knowledge. I graduated from college, spent some time in travel and then settled down to a student's life. I rather avoided men, and my social intercourse was confined largely to a few intimate friends. When I was nearly thirty it occurred to me one day to look into the situation. Here I was nearly half done with the three score years and ten, with an immense capital of education but, aside from an occasional magazine article, I was doing nothing for the credit of either myself or the family. Furthermore, I began now to be subject to a fearful depression of mind and found myself with almost a morbid disinclination to meet people. I don't mean by this that I had any intellectual dread. I was conceited enough to be willing to compare ideas with any man living, but I had a horror of trying to influence men to acts toward which they might feel reluctance, and in a matter of this kind I was as timid as the proverbial rabbit. The question which thrust itself upon me was, what am I going to do about this? I felt that I ought to go to work and yet none of the time-honored and respectable professions such as medicine, the law and the ministry appealed to me. Money was no object, but peace and comfort were, and I resolutely bent myself to work out the problem. At college I had been interested in a young man who may be known as James, but he had dropped out after a term or two and I didn't hear of him again for several years. While I was trying to answer the conundrum of my own life I accidentally ran across James one day. We were delighted to meet each other and at his suggestion we immediately went to his hotel and spent several hours in talking over old times and exchanging experiences. When we had reviewed everything pretty thoroughly we began to consider matters of more immediate interest and I learned that he had become a successful life insurance solicitor and he learned that I was keeping up the family credit and had grown weary of it. My problem interested him and after some hesitation and apologies he suggested that I try life insurance soliciting. I must confess my indebtedness to him for the tact and good judgment which he showed in treating the subject. Instead of describing his calling as being the only one upon earth and giving the promise of unheard of wealth, he pointed out that it was rich in problems that would test my powers and give me daily opportunities to use the expensive education which was now going to waste. He held out the hope that the depression which had now become almost a night-mare would be relieved by contact with cheerful and energetic men and he almost persuaded me to become a solicitor at once. I recalled that the thing which I most positively enjoyed was intercouse with men after I had taken the first plunge and broken the ice, but years of isolation had developed a shrinking dread of meeting strangers and I at last avoided society from pure timidity.

However, I did not decide at once, but promised to consider the matter seriously and give him an answer within thirty days. True to my word I began to consider, but the more I considered the more hopeless I grew and in a week I was in a worse position than the young military officer who was asked what he would do if he was attacked on three sides by a force ten times greater than his own and in front of him there was an impassable abyss. He replied, "Well, general, I would resign." I could neither meet the difficulty nor resign, however, and I kept myself on the rack for nearly the whole of the thirty days. Not to make the story too long I may say that I was ultimately compelled to decide. The depression which hung over me nearly every hour in the day was unendurable and I simply had to fight it or make my exit from this scene of man. And if any part of my story ever gets in print I should like it to be known that I now consider myself under great obligations to that same depression. It was the only motive which could have influenced me. My father's wealth and method of training me had destroyed all the motives which ordinarily influence men and if the depression had not tortured me into going to work, I should have been rich, idle and useless to the end of my life.

"James visited me again at the end of thirty days and with great fear and trembling, but with determination I gave him my decision. He spent a month with me and by actual soliciting rather than by mere preaching he taught me all of the fundamentals of soliciting that I could make any use of at that time. He soon perceived that my college training would help me to master the papers, theories, arguments and other materials of the calling, and I discovered in a short time that I had the power of influencing men after the timidity and mustiness of twenty years of study wore off. In short, I could have been a successful solicitor in sixty days if I hadn't been compelled to approach prospects in a state of nervousness amounting almost to prostration. I also found that as I had a kind of latent conviction that I was a failure and an encumbrance upon the earth, it would be useless for me to try to close applications until I had a considerable capital of acquaintances. Strangers I could not then impress simply because I dreaded the ordeal of meeting them so much. As I had no need of money I decided to give my whole attention to making friends and acquaintances and to defer the immediate purpose of soliciting until I had a large capital of prospects to begin with.

"I lived in a city of about 300,000 inhabitants, and after making a careful inventory I decided that there were about twenty influential men that I was not afraid to ask a favor. I went to each of these men and asked him to give me a list of ten of the most active, the most interesting and the most successful men with which he felt himself to be well acquainted and to give me a letter of introduction to each. I had the letters written myself and it was only necessary for my friends' to attach their signatures. In order to get all the moral advantage which I could at the outset, I composed the letters of introduction myself and threw in a few choice compliments. My standard

form ran something like this: 'Mr. Blank, who presents this letter, has been a student and writer but is compelled on account of ill health to have other occupation. Before entering a new line he wishes to look around and make a few acquaintances. I herefore take pleasure in introducing him to you, and hope that you may help him with a suggestion. Mr. Blank has fine intellectual gifts, a memory of extraordinary retentiveness, and has read more hard books than most men. He is the most interesting man I know and is a most desirable acquaintance.'

"As my future friends and prospects were all representative men they could not be approached and interviewed without a great deal of manoeuvering and many delays and it was over two months before I had exhausted my lists. At the end of that time, I was after a fashion acquainted with 200 men that I had not known before, but I did not know them well enough to talk life insurance to them. When three months had elapsed, reckoning from the time that I began to present my letters of introduction, I again went over the lists, and I had now spent five months almost entirely in the process of getting acquainted. In the meantime I had joined a social organization of the highest type, a citizens club and a political club. I went to lunch every day at the citizens club house, although I had no reason in the world for it except to get acquainted, and I simply sat around and watched. Sometimes one of my representative citizens would be present and I would get an oppportunity to develop my acquaintance with him. At another time I might meet a new prospect. But all the while I never pressed forward in the least but simply took advantage of such opportunities as arose naturally. Two or three evenings a week I went to the stated meetings of the social organization and on other evenings I dropped around to the political club. It came to pass by-and-bye that I began to see the same faces often and men thought they knew me who had never been introduced. They spoke to me and thus I gradually began to make a few acquaintances in ways that I had not planned for. In six months I was speaking to dozens of men whose names I either did not know or could not recall, and in a year I felt that I could begin to close applications. Since my experience has widened I have learned that as I grow acquainted with a man he almost invariably grows weaker and I grow stronger and after about fifteen months of preliminaries I began to write business with ease. I now had material enough to last me several years but I branched out occasionally, and after two years of success found that strangers did not trouble me much. I could talk insurance as freely and forcibly to a man that I had known five minutes as one I had known five years. Furthermore, the mental depression disappeared and I declined any further financial support from my father.

"As I look back now a few years I think I am not wrong in saying that whatever success I have made is due to my knowledge of men as individuals. To have a general idea of what human nature is, is something, but to know the strong and the weak points of Jones, Brown, or Smith, is the key to most problems in soliciting. I have insured one man regularly every year or two for the last ten years simply by keeping him pleased with himself. This weakness I count upon just as deliberately as I reckon that two and two are four. Another man I have insured repeatedly by dwelling upon the heroic side of my experiences. He worships success and delights to add to the success of others as well as to his own. This trait of his is as clear to me as the multiplication table, and I might say that my general plan of soliciting is still to get thoroughly acquainted with individuals before making my final assault. It is no longer strictly necessary for me to do it but it saves me a world of labor and strain at the closing time."

LIFE INSURANCE THE BEST SAVINGS BANK.

"If I put my money into life insurance," he said, "it will be when I cannot get at it in case I should want it, or have pressing need. If it is in a savings bank, or in bonds, I can obtain it at any time or realize upon the securities quickly."

"There," replied the agent, "is where you stand in your own way of ever saving anything. The fact that you want to put your money where you can get it and spend it at any time is against your saving systematically, if left to yourself, with a free hand. You may make deposits, but you will always be running to the bank to make drafts whenever you wanted or fancied you wanted anything. That proves that you require just what life insurance provides—to enable you to save your earnings, namely, the compelling feature of fixed premiums, at stated times."

Insurance compels you to save. It piles up a competency for you in spite of yourself; and whatever form of contract you may select—whether endowment, twenty-payment or some form of income policy, your savings are safe from yourself, which is the most important thing—and you will find that, if you cannot draw upon your savings on the most trivial occasion that you can get along exactly as well. As a means of saving, the compelling feature is the strongest argument in favor of life insurance.

AWAKENING OF THE PUBLIC CONSCIENCE.

One of the good results of the life insurance investigation is, that it has crystalized in the public mind the realities of the science. Men who doubted or who only half believed, have had the matter made clear to them so that whereas they were blind to its real value and advantages, now they see with clearness of visions, the tangible values, and understand as never before that there is something more than a gamble or a guess.

They realize, as they never did before, its true relation to the economics of life; that it is governed by laws as inevitable as those that regulate the moon and the stars. It is rapidly acquiring a place in the business thought not unlike that held by fire and other kindred forms of indemnity for financial loss. It is beginning to be understood that skill, knowledge, experience, wisdom along business lines have as real financial value as have houses and merchandise and that in a purely cold blooded matter of fact way, those most interested in each individual case carry a constant risk much greater than the risk of loss by fire carried by the owner of a building, a factory, or a stock of merchandise.

This awakening on the part of the public conscience, if nothing more comes from it, ought to compensate in a large measure for some of the wrongs and injustices done by that so-called investigation.—Hartford Life Bulletin.

WHAT CONSTITUTES MORAL HAZARD?

A company of life insurance agents was discussing the subject of "moral hazard," during which some original and not altogether unreasonable ideas were expressed.

One of the agents, a man of wide experience in the business, said that the question of moral hazard depended principally upon the physical habits of a man—that is to say—a man may have habits such as the use of intoxicants, even on the side of excess, he may be working under excessive bodily and mental pressure, he may do other things—most of them known as "bad habits," and yet he may be a safer risk, from the life insurance standpoint than a man who leads a strictly temperate life and has no bad habits to speak of, provided, for example, he takes regularly a proper amount of physical exercise, especially in the open air. On the other hand, the man who is strictly temperate, who has few or no bad habits may, if he leads a purely sedentary life, is inactive and sluggish, may be and probably will be the more undesirable insurance risk, because his system is given no opportunity of throwing off the natural contaminations of the human body.

This agent thinks that in very many cases, medical examination fails to accomplish its purpose, because it is apt to be confined to fixed principals, depending upon certain symptoms.

HE WANTED ADDITIONAL PROTECTION.

A certain professional man, a few years ago, took out a substantial renewal ten-year term policy because, at that time, he wished to secure the maximum amount of protection at the minimum of cost. After five years were nearly past, he felt able and inclined to take a good line of regular life insurance, and he deliberated whether he would convert his term policy or let it continue, taking his chances as to his ability to renew it at the expiration and take out a whole life also.

He finally decided upon the latter course, reasoning that now, rather

than five years hence, was the time to take out a good sized regular life policy; and that, if he did not renew the term policy he would still have as much protection as he had then; whereas, if he waited, and did not renew the term policy and took a regular life with five years added to his age, it would be much more expensive.

He can, at the end of the term, renew the term policy for less than it would take to purchase any other policy of the same amount. It looks as though he acted wisely; for the chances are that he will renew the term policy, which will give him that much more protection than he would have had had he followed the first suggested course.

A SOLICITOR'S CREED.

The following is credited to Cornell College, but there is no doubt a live and level-headed life insurance man wrote it:

"I believe in the stuff I am handing out, in the company I am working for, and in my ability to get results.

"I believe that honest stuff can be passed out to honest men by honest methods.

"I believe in working, not weeping; in boasting, not knocking, and in the pleasure of my job.

"I believe that a man gets what he goes after; that one deed done to-day is worth two deeds to-morrow, and that no man is down and out until he has lost faith in himself.

"I believe in to-day and the work I am doing; in to-morrow and the work I hope to do, and in the sure reward which the future holds.

"I believe in courtesy, in kindness, in generosity, in good cheer, in friendship and honest competition.

"I believe there is something doing somewhere for every man ready to do it.

"I believe I am ready right now."

PREVALENT DISEASES OF SUMMER.

The New York Life paid 641 death claims in June last, the causes of death being thus classified: Consumption, 79; pneumonia, 61; bronchitis, pleurisy, etc., 27; typhoid fever, 12; other diseases of digestive organs, 26; bright's disease, 49; accidents, 43; apoplexy, 48; nervous prostration, congestion of brain, etc., 5; spinal disease, 17; heart disease, 69; diseases of arteries, 2; appendicitis, 3; rheumatism, 5; cancers and tumors, 36; paralysis, 18; diabetes, 12; liver disease, 17; old age, 8; blood poisoning, anemia, etc., 21; all other causes, 83, total 641. These 641 persons were insured in the New York Life in sums aggregating $1,788,355.88, which amount was promptly paid to the beneficiaries. It will be noted that the deaths peculiar to hot weather were unusually numerous.

OTHER COMPANIES AS GOOD AS YOURS.

"I suppose," said a prospect to an agent, "that your company is the best company, which is what they all say."

"They," replied the agent, quietly, "is an anonymous word which I do not recognize. My company is no better than several other companies that I could enumerate; but it is just as good, and I think that, in some particulars, its contracts are superior. I am after you for my company and my company is the company I am working for. And I can guarantee that my company furnishes an absolutely safe investment, perfect and absolutely sure protection and a gilt-edged, liberal contract."

LIFE INSURANCE A SAFEGUARD TO ESTATES.

If an estate consists principally of good, sound life insurance, one does not need to worry about executors, and scheming and conspiring relatives. It is the cleanest, safest estate to leave to one's dependents, for it is not subject to the liabilities of other kinds of property. The insured can make it payable to whom he chooses, without fear of depreciation or absorption in legal expenses. A good many very wealthy men are taking that view, now-a-days, and acting accordingly. Life insurance is recognized by the best financiers as a desirable safeguard to an estate.

WHY THE PRUDENTIAL WITHDRAWS FROM TEXAS.

President Dryden, of the Prudential Insurance Company, has addressed the following circular to the policyholders of The Prudential in the State of Texas:

By the requirements of the statute recently enacted and known as the "Robertson Act," the company, if it continues to do business in the State of Texas, must invest seventy-five per cent of the reserve value of policies issued by it upon the lives of residents of the State of Texas in certain specified local securities, which it is required to deposit in certain named depositories located within the State, no security being given to it by the State for their proper custody, and a burdensome rate of local taxation being imposed thereon.

While the act was pending in the legislature, this company, in conjunction with other companies doing business in the State, opposed in every proper way its passage. The act having been passed and approved by the Governor, the company is now confronted with the alternative of either complying with the provisions of the act or ceasing to do business within the State of Texas.

After a most careful consideration of the question the company has come to the conclusion that it cannot, in justice to its policyholders and with due regard to the proper conduct of its business, comply with the requirements of the statute, and it has therefore reluctantly determined to cease doing business within the State of Texas.

The publicity which has been given to this act and the discussion which has taken place, both in the legislature, before the Governor and in the public press, make it unnecessary at this time, except in a general way, to state the reasons which have impelled this company to adopt the unwelcome alternative of withdrawing from the State rather than comply with the requirements of the act.

The company is compelled by this statute to invest a portion of its assets in certain designated securities. One of the chief essentials in the successful conduct of the business of life insurance is the investment by a company of its funds at the highest rate of interest it can procure compatible with safety. In order to produce results satisfactory to its policyholders it is necessary both to be able to invest its funds in the most desirable securities obtainable, as well as to have the investments which it has made in securities readily convertible if a more attractive investment shall offer itself.

In addition to this limitation of investment the statute in question deprives the company of the custody of a portion of its assets, the State furnishing to it no security therefor. It imposes upon the securities which it requires the company to deposit a rate of taxation almost as high as the income yield therefrom. If other States, following the example, should enact similar laws, it would be impossible for any insurance company to procure for its policyholders a proper return from the funds entrusted to it. The losses which would inevitably result from a compliance with the conditions imposed by this statute would, of course, fall upon our policyholders, and in justice to them all, those within the State of Texas as well as those without, we have determined to withdraw from the State rather than to subject them to the losses which they would sustain were we to continue to do business in it. It seems needless to add that this action on the part of the company will not in any degree impair the security of the policies issued to the citizens of Texas. It is their protection, equally with that of our other policyholders, that necessitates a refusal to comply with the provisions of this statute.

The company leaves the State of Texas with regret; it has been its desire to largely increase its business within that State, and the relations which have existed between it and its policyholders have been of the most cordial character. We are loath to believe that the policy which has, by the enactment of this statute, prevented our continuance of business in Texas will be perpetual, and we sincerely trust that at no distant date the company may with safety to itself and with benefit to its policyholders resume business in the State. Until such time arrives, however, it will be necessary for us to subject our present policyholders of Texas to some slight inconvenience in the remittances of premiums, the applications for policy loans, etc. Of course, pains will be taken to see that all business is transacted with the utmost expedition.

On and after July 10, 1907, remittances of premiums, applications for policy loans and surrender values, notices and proofs of death, etc., should be made to Furlow & Avery, managers, 201 Norton building, Louisville, Ky. I remain very truly yours, John F. Dryden, president.

THE ARTFUL TWISTER.

A fair exchange is no robbery. Nevertheless, there are many exchanges, presumably fair, which are only so in appearance—cases where there is actual robbery, although the robbery is covered up and remains undiscovered for a time.

TWISTING.

People are sometimes robbed who believe they are making fair exchanges—who think, indeed, that they are giving up an inferior for a superior article.

Among these people are the investors in life insurance who exchange old policies for new policies.

They are not doing this of their own initiative, but under the advice of certain life insurance agents of the class called "twisters."

For their own personal gain, these "twisters" are persuading men to give up valuable policies in solvent companies for new policies in other companies.

Occasionally an exchange may be expedient, but the exceptions to the rule are so few that it is safe to advise every policyholder to sift with the utmost care any proposition involving the surrender of any policy on which one or more premiums have been paid.

WHY TWISTING IS POSSIBLE.

The "twisting" agent usually does one of three things when he finds a man who has a policy in a responsible company. He either offers him, (1) a new policy for the same amount at a lower premium; or (2) one

for a larger amount at the same premium; or (3) one for the same amount at the same premium, but in a company which he describes as a much better company.

HOW THE TWISTER SUCCEEDS IN FOOLING THE PEOPLE.

But those who are uninitiated may ask, "How is it possible that a new policy can be issued for the same amount at a lower premium, or for a larger amount at the same premium?" There is one thing that even the most ignorant policyholder knows, and that is that premium charges are based on the age of the applicant when the insurance is taken; and that, other things being equal, a man who insures at thirty must pay a higher rate than he would have been called upon to pay if he had insured at twenty-five. How, then, can the "twister" make such plausible offers? The answer is simple. There are different kinds of insurance; some kinds cost more than others, and the "twisting" agent is most successful with the man who has the most valuable kind, because the same amount of insurance of a less valuable kind can be offered for less money.

THE FACE VALUE OF A POLICY MAY NOT REPRESENT ITS ENTIRE VALUE.

Another point: the face value of a policy is not the only thing to be considered in appraising it.

If a man owns a diamond he may easily be victimized, even if he exchanges it for a larger stone, if the latter be of inferior quality.

A pound of tea that costs a dollar may not only be better in quality than a pound that costs thirty cents, but it may make three or four times as many cups of tea.

When the trees in an orchard are first planted they bear no fruit, and are worth less than older trees. So it is with policies. New insurance is less valuable than old insurance.

Another point. If a policy has been taken at a young age the premium is correspondingly low, and a new policy taken later on (even if the contract is usually advantageous) can only be secured at a higher premium rate unless a cheaper and inferior kind of policy is substituted. But that is not all. A policy issued on the "limited payment life plan" should never be abandoned. The company has agreed that at the end of a certain term the policy shall be continued without further cost to the insured. Now, if the time is approaching when it will thus become fully paid up, the owner will be victimized if he exchanges it for an "ordinary life policy." For although the latter can be issued at a lower premium, it will cost much more in the long run if the insured's life is prolonged.

Again, the older an endowment policy becomes the nearer does the time approach for it to be paid. It is easy for the "twisting" agent to exchange such a policy for a cheaper contract (on the "life" form), if the insured fails to understand that he is asked to give up an endowment that is appproaching maturity.

Again, dividends, on most policies increase as the policy grows older, and that advantage is usually lost if an old policy is given up for a new one.

Again, many existing policies are on the "deferred dividend plan." It is especially foolish to abandon a policy of that kind, because the time is steadily approaching when a dividend will be paid, which will be lost if the policy is abandoned prematurely. In addition to that, such policies usually give the holder the choice of a variety of valuable "options" at the end of a term of years; and if the time is approaching when the insured may realize the value of one of these options, it is folly for him to begin his journey all over again under a new contract, even if that contract will offer the same options and the same dividend benefits; because the time when those advantages may be reaped, while near in the old policy, will be thrown far into the future in the new policy.

WHAT TO DO WHEN ASKED TO SWAP.

Advise a man who is approached by a "twisting" agent to insist upon a written proposition. In ninety-nine cases out of a hundred, if such a proposition is shown to you the following facts will be obvious: (1) The original company can do precisely what the agent of the other company offers; but (2) the change proposed would be injurious to the insured and should consequently be scouted.

Moreover, the chances are that the "twisting" agent represents an inferior company; for reputable companies do what they can to stamp out this evil.—From "The Successful Agent," by Wm. Alexander, published by The Spectator Company.

THE GERMANIA LIFE ALSO LEAVES TEXAS.

President Doremus, of the Germania Life, has issued a circular to the company's policyholders in Texas, from which we make the following extracts:

At the last session of the legislature of your State, there was enacted into law, House Bill No. 112, known as the Robertson Insurance Bill. The provisions of this act are briefly stated as follows:

1. That the life insurance companies doing business in Texas shall invest at least seventy-five per cent of the reserve accumulations on policies on the lives of residents of that State in Texas securities or in Texas real estate.

2. That such securities shall be placed in the keeping of the State Treasurer, or of such National or State banks, or trust companies, as have been designated for that purpose.

Such deposits will be subject to local taxation, in addition to a State tax levied on the premium income.

The State of Texas is valued by this company as a desirable and satisfactory field for doing business, and it was only after mature consideration and with much regret that the withdrawal of this company from said State was decided upon as imperatively necessary in the interest of its policyholders in Texas, as well as of those in other States, especially in view of a most burdensome taxation. The company cannot even maintain an office in Texas for the collection of premiums on old business, as that is held to be transacting business. Our Texas policyholders are, therefore, hereby requested to remit the premiums hereafter falling due on their policies, until further notice, to the home office of the company, 20 Nassau street, New York, N. Y., and they will be directed to do so in the premium notices hereafter to be sent out to them. No State can pass a law impairing contract obligations. You will understand, therefore, that the withdrawal of this company from your State will in no wise affect your rights as policyholders, or result in any disadvantage to you, except the inconvenience of paying premiums elsewhere.

It is unnecessary to refer here to this company's unexcelled financial standing and its record of clean and correct business methods. We earnestly urge you to keep your policies in force, and in case any proposition to transfer your insurance be made to you, please do not fail to communicate with the company whose aim it is, as it always has been, to consult the convenience and advantage of its policyholders in every way possible.

As to the Robertson law, it is hoped that it will be repealed, or declared unconstitutional, and that the former relations of the company to its Texas policyholders will soon be restored.

THE OLD-FASHIONED REASONS MORE POTENT TO-DAY THAN EVER.

Now that the smoke of battle has rolled away and insurance turmoil and agitation have apparently subsided, it is well for us to bear down on this point, i. e., that the reasons for life insurance to-day are more than ever the good old-fashioned reasons of the past. Times have changed, but human necessities never change. The motive that impels most people to insure is the love of home and kindred. It has always been so and so it always will be. In no other way can a man make certain of leaving a competence for his family in case he should die within the next fifteen, twenty, twenty-five or thirty years. In assuming the responsibility of a family, as most men do, it is an unworthy act to allow their support to be a mere probability when a little forethought and expenditure of money can make it a certainty. How often we learn of a man working like a slave, denying himself and his family many comforts and luxuries, and even after a few years of that sort of life die and leave his family less than the value of a small life insurance policy. It requires no argument to prove that apparently the most certain business ventures of an individual may turn out badly. But even if they should not turn out badly, why take any chances? After the death of the head of a family his business may go to pieces in the hands of his heirs. His business may go to pieces for the lack of the ready cash that a life policy would provide. Even in such a period of prosperity as the present, the course of an individual business life is extremely uncertain. What is more certain, on the other hand, than the returns from a judicious investment in life insurance? When a man protects his family, his business and himself, he wants to know that the means he uses are the safest possible. How many banks, railroads, trust companies and private enterprises of every sort have failed and gone into receiverships in the last few years? Their number is legion. How many reputable old-line life insurance companies have gone under in that time? None. There lies the course. It is marked out straight ahead for prudent men. The solvency of life companies is absolutely guaranteed by ample reserves, whose maintenance is secured by the laws of the various States. In a world of uncertainty and death the returns from life insurance investments stand out as a prudent forethought, business sagacity, yes, man's worldly duty.—New York Life Bulletin.

SAFEGUARDING WEALTH.

Men who have experienced the difficulties of making and keeping money see the necessity for safeguarding it in every possible way. Many such men with great difficulty and sacrifice keep cash on hand because they know that their entire financial existence may depend not upon securities but upon ready money at some time. Shrewd men will keep cash on deposit without interest or at a small rate even when they are paying six per cent or more for discount. Some men carry government bonds netting but two per cent in order to have some security that can safely be converted into ready money in case of necessity. Is it not cheaper for such men to pay a life insurance premium costing from two per cent to six per cent in order that in case of their death at any time ready money may be provided? If it pays a man to pay six per cent to borrow money to keep it on hand, how much cheaper to pay perhaps a far less rate to a life insurance company for money not loaned but given to his estate when he dies?

These are but some suggestions of the need of life insurance for wealthy men. A knowledge of the affairs of any man of means will furnish you with abundant proof of his urgent need for life insurance. It is doubly important, too, that such men, subjected to unusual strain, should take insurance when they can get it. Such men are likely to show physical wear and tear much earlier than those living easier lives. Many a man of large affairs, when advanced in years, his physical and mental powers relaxed, has suddenly realized that his estate is more dependent than ever before upon, and for that very reason he ought to have, ready money, in case of death, but that the insurance he could have gotten so readily earlier in years is forever beyond his reach.—Edward A. Woods, Pittsburg.

THE SPECTATOR

A WEEKLY REVIEW OF INSURANCE.

FORTNIGHTLY LIFE INSURANCE SUPPLEMENT

Devoted to Life Insurance and the General Interests of Life Underwriting, Comments on Current Events, Suggestions and Hints for Field Workers, Technical Matters for Home Office Consideration, and Information as to What is Going On in Office and Field

ISSUED EVERY OTHER THURSDAY AS A SUPPLEMENT TO THE SPECTATOR.

New York, Thursday, August 1, 1907.

A CONFIDENCE GAME AND SOME OF ITS MORALS.

By a Western Agent.

Not long ago the newspapers contained an account of a unique swindle which was perpetrated upon one of the most successful business men in the city in which I live. The account has excited wide comment among the insurance agents and has been freely discussed before our Underwriters Association. The sentiments of the members were unanimous and I was urged to give expression to them as an individual through the columns of the dailies, but for personal reasons declined. I did promise, however, that I would, at my convenience, make a report of the fact to The Spectator and add such comment as might develop.

As I have no desire to give the victim of the transaction any additional notoriety I will invest him with a nom de plume. Wm. Jones, then, president of numerous enterprises and a director in a bank, was visited not long ago and invited to apply for more life insurance. He declined on the usual grounds that he had all he could carry and the interview seemed about to close. The visitor, however, had not expected any other issue and he now laid the preliminaries for a grand move. He represented himself as a broker, having no connection with any company, but placing applications with all, according to the preference or prejudice of the applicant. He inquired if he could interest Jones in a "flyer."

"You might," replied Jones.

The broker then went on to explain that our State has no rebate laws and that he was at liberty to sacrifice as much of his commission as he pleased. "The regular premium on $100,000 at your age is $4500," he said, "but I can place you in a first-class old line company for $350." Jones accepted the proposition instantly and the application was written.

The broker had already made an arrangement with the manager of the Blank Life Insurance Company to place any business he wrote through him for a commission of forty-five per cent, and he now called upon the manager and presented Jones' application. In obedience to the company's rule requiring the agent who signed the application to witness the applicant's signature, the manager and the broker now returned to Jones' office and secured a new application. It was all gone through with as a matter of course and no troublesome questions were asked. Two physicians promptly appeared, gave the applicant a thorough examination and the papers were forwarded to the company. When the policy arrived the manager questioned the broker closely to find out if any private arrangements had been made and the broker assured him that the transaction was usual in every respect and that no rebate would be expected. Accordingly the manager and broker set out to deliver the policy. It has not appeared how they were separated, but it seems that at the last critical moment they were. Jones had received a letter direct from the home office informing him that his policy had been issued and that he should make his check payable to the Blank Life Insurance Company. He followed instructions and drew a check for the full premium, $4500, and entrusted it to the broker with the understanding that he was to return with the rebate of $4150. The manager had presumably returned to his office after being lost on the way somewhere, and the broker now appeared to claim his commission. The manager, apparently without suspicion, handed him a check for $2025, which he hastily converted into cash and then mysteriously disappeared. In the meantime Jones waited anxiously for three hours for his rebate, and then realized that he had been duped. He had a $100,000 policy in a first-class company, it is true, but he had paid full premium for it, and he had fully expected to get it for nothing. He made a statement of the facts to the Blank Company, and rather than incur the risk of being thought to countenance such methods they canceled the policy and refunded the company's part of the premium. Jones lost over $2000 by the transaction for which he has not one cent equivalent. The humiliating thing about it all was that he might not have been able to convict the broker if he could have been brought to trial. The transaction was in every way regular and the only flaw was the merely verbal agreement as to the rebate.

Respect for the Law.

I do not wish to go on record as encouraging or commending rascality. I have a wholesome respect for all laws while they are laws, and society must, for its own protection, retire to privacy such ingenious individuals as the broker whenever it can lay hands upon them; but I must confess that I cannot generate any very hearty sympathy for Jones. Without wishing any prosperity to the broker I am inclined to say that Jones received just what he deserved. He was willing himself to profit by a practice that is not more elevated than a confidence game, and that is in some States illegal. I greatly doubt if we had a law in our State prohibiting the granting of rebates, but not the acceptance of them, if he would have hesitated to bargain for the "flyer." I have it from the general agent of a first-class company that he heard a rumor of the proposed $100,000 application and that he spent three hours with Jones and begged him earnestly to give him any small fraction of the sum, but Jones coolly refused. He would trust $4500 to a total stranger in the hope of getting something for nothing, but he would not take $5000 insurance with an intimate friend and pay the premium for it. Is it unreasonable that insurance solicitors should withhold their sympathy from Jones?

It has often been said that even rascals contribue a certain service to humanity, and the saying is not devoid of truth. The citizens of the community in which I live are pretty well acquainted with the Broker-Jones swindle by this time and they will be cautions about buying "flyers" for nothing or something hereafter. And if we could only arouse the public conscience in such matters many evil practices in life insurance would disappear. The average policyholder is ready at an instant's notice to consign a company or an agent to perdition upon the slightest suspicion of wrong-doing, but he is perfectly willing to fill his own pockets at the expense of other policyholders so long as an unscrupulous individual or corporation will do the dirty work. It takes two persons to make a contract or complete a swindle, but even the law is not fully alert to all violation of this principle.

The law in some States, if not in all, declares that gambling is an evil and is against public policy and it denies a gambler protection. If he loans money with the understanding that it is to be used in gambling he cannot recover it. The law will not protect a man in breaking the

law in the matter of gambling, but it has been known to protect a man against a life insurance swindle in which he willingly participated. I am glad that the Armstrong law made accepting a rebate an offense, as well as giving one, and I hope that the public conscience generally will undergo an awakening in regard to insurance practices. It is just as disreputable to buy insurance for nothing as it is to sell it for nothing, and when the public begins to have some appreciation of this fact, life insurance standards in general will be raised.

Advantages of Restrictions.

The company with which I have been associated for nearly seventeen years has gradually increased its restrictions. Seventeen years ago we made brokerage contracts, accepted business from Tom, Dick or Harry without contract of any kind, and tolerated rebates. When I say we, of course I mean the agents. I cannot say that the company would have approved our practices, but at least it did not inquire closely into them. Gradually our company began to lay its ax at the root of the trees and one after another they fell. Rebating, brokerage, and helpers have disappeared. As I understand it, we cannot now employ a helper, even when we license him. We cannot make a contract with anyone who is unwilling to devote less than all of his time to soliciting life insurance. Of course our company's rules are undoubtedly violated occasionally, because good rules will not make upright men, but they will at least hamper and embarrass them to such an extent that evil practices will be reduced to a minimum. It is not for me to presume to preach to the officers of life insurance companies, but I have had an opportunity to note the beneficial effects of such rules as I have mentioned and I believe that they would be beneficial to all companies.

Nothing is more true than the old saying that "two can play at a game." The different life insurance companies, and by this I mean simply the men who manage and operate them, are probably jealous and suspicious of each other, and are slow to correct abuses for fear of losing an advantage. One company will not prohibit twisting because it fears that it may lose applications. Another will not interfere with rebating for the same reason. Still another is disposed to regard brokerage business as so much positively gained. If rightly considered it will not appear to be so. All companies can devise twisting arguments and successfully use them, and hardly any company is so poor that it cannot arrange for a rebate. The brokerage business often results in a secret cut-throat policy of which only the broker receives the benefit.

For example, the agent of a company that accepts only male risks heard a young lady friend say that she was about to take a policy in the Dash Company. Immediately he advised her to proceed slowly and suggested that he could secure better terms for her in a better company. The agent then interviewed the manager of still another company and arranged to write the young lady's application for the usual commission. In order to secure the young lady's co-operation without too much trouble he divided his commission with her, and the agent who had developed the business by long and patient soliciting was cheated out of his commission. However, he learned about the trick in time, and watched for an opportunity to return the compliment. It came, ultimately, and the agent who was not content to work for one company and follow its rules was nothing ahead in the final outcome. The agents in these different transactions were on the surface, friends, but secretly they were willing to resort to all kinds of doubtful expedients to secure an advantage.

But the agents alone were not the only sufferers by these practices. The young lady was not a first-class risk. Her personal and family history were poor, and the agent who bargained with her knew it. He worked for a very strict company himself and sooner than hazard the loss of his contract he would be faithful to his own company's rules. He would not recommend an impaired risk to his own company, but being under no obligation to a competitor he would be silent for the sake of a petty commission. The young lady in question is still living and may survive finer risks, but the fact that an agent was willing to recommend her for the sake of a few dollars furnishes a clear moral against the acceptance of brokerage business.

I hope that rebating, twisting, brokerage and "flyers" will not be always with us, and it may be that their disappearance may be somewhat hastened by occasional exploits of the broker Jones type.

IN SOLICITING MAKE HASTE SLOWLY.

"When I first started out to make my own way," said a now successful life agent, "I began by selling steam cookers, taking orders for them from house to house—mostly in the country districts. I carried a model of the cooker in a little cloth bag, and this, slung under my arm by a cord, I carefully kept concealed when I approached a prospective customer.

"My favorite method of procedure when calling at farm houses, was to first meet the farmer or his wife out of doors, and to open conversation with them about something connected with the farm, the crops and the weather, the stock, poultry, the view from the homestead, or anything else which was of direct interest to them—a part of their lives.

"In this way I first won their good-will, even their gratitude, made them feel pleasant toward me and interested in me. Usually I was invited into the house. Whether I was or not, however, with true country inquisitiveness, I was asked what my business was. Without any undue eagerness I told my business, and at the proper time brought out my model and exhibited the cooker, explained its operation, showed the variety of things that could be cooked in it at the same time and showed what a labor-saver it was for the housewife. I rarely failed to make a sale at farm-houses, and I did a good business.

"I have found similar methods successful in soliciting life insurance. If you appeal to what is nearest the heart or the ambition of a person, be it common things of his daily life, his business, his hobby, his children, dogs, automobiles or fishing, you clear the way for presenting your case, with the best chance of securing attention and consideration. You can interest a person in almost anything you have to offer if you first show an interest and sympathy with what most interests him.

"A very large percentage of failures to secure applications are due to too much haste in approaching a subject, neglecting to prepare his mind so that he is in a receptive mood."

COMPENDIUM OF OFFICIAL LIFE INSURANCE REPORTS.

Since the year 1899, and up to the close of 1906, the number of legal reserve life insurance companies organized under the laws of the United States was exactly doubled, there being 138 companies in existence on January 1 last, as against sixty-nine six years previous. During the year 1906 thirty new companies entered the field, while but four organizations withdrew, so that the net gain for the year was twenty-six. In the first six months of the present year eighteen additional organizations have been formed and received legal authority to operate, while only one has withdrawn, so that the present list of licensed companies numbers 155, exclusive of one European and four Canadian companies. These 155 companies are incorporated under the laws of thirty-nine States and Territories, and inasmuch as all of them do not operate in any one State the complete reports as to their standing are scattered through more than twenty-five official State reports.

The extreme competition that has necessarily been engendered by the appearance of this large number of new companies in the past few years, makes it necessary that every agent should be in possession of some unbiased document giving the latest official standing of all the companies now putting forth their bids for public patronage. Such a document is found in The Compendium of Official Life Insurance Reports, the 1907 edition of which (being the nineteenth annual issue) has just been issued by The Spectator Company, 135 William street, New York. This publication presents a thorough analysis of the statements of the 138 companies which made reports to the various Insurance Departments for the year 1906. All the figures entering into the voluminous annual reports of this large number of companies are carefully compiled and arranged in order of magnitude in a series of fifty-eight exhibits, while in a number of the tables percentages are given and the rank of the companies also determined by them. The busy agent will find this work of incalculable value as a time saver, as it gives him within one set of covers information which otherwise he would have to dig out of many official reports, and at the same time it presents the data in convenient form for instant comparison, either with any other company or with the preceding year.

The Compendium of Official Life Insurance Reports makes a book of 160 pages, is handsomely printed from new and clear type, is bound

in flexible leather and sells at $2 per copy. All orders addressed to The Spectator Company, 135 William street, New York, will be promptly filled, and no agent can afford to be without a copy of this truly invaluable statistical publication.

The tabulation presented herewith is taken from this work and shows the aggregate transactions of the 122 ordinary and sixteen industrial companies of the United States which made reports for the year 1906:

AGGREGATES OF THE FINANCIAL STANDING AND BUSINESS FOR 1906 OF THE ORDINARY AND INDUSTRIAL COMPANIES OF THE UNITED STATES.

	Ordinary Companies.	Industrial Companies.
Number of companies	122	16
Capital stock	$17,646,834	$5,077,296
INCOME.		
New premiums	52,884,738	20,044,393
Renewal premiums *a*	338,625.371	109,961,173
Received for annuities	4,828.196	251,027
Total premium income	396,338,305	130,256.593
Dividends, interest, etc. *a*	101,034,723	11,703,828
Received for rents	8,864,603	2,165,523
All other receipts	15,864,879	957,138
Total interest and other income	125,764,205	14,826 489
Total income	522,102,510	145.083.082
EXPENDITURES.		
Paid for death losses	118,195,657	34,833,223
Paid for matured endowments	28,840,064	431,703
Annuities paid	6,741,689	307,644
Paid for surrendered, lapsed and purchased policies	54 078,396	3,629,143
Dividends to policyholders	35,428,686	4,829,424
Total payments to policyholders	243,294,492	44,031,137
Dividends to stockholders	578,520	378,000
Commissions, salaries and traveling expenses of agents	52,747,098	31,257,565
Medical fees, salaries and other charges of employees	13,639,328	6,618,124
All other expenses *a*	26,717,266	7,599,833
Total expenses of management	93,682,212	45,853,522
Total expenditures	336,976,704	89,884,659
Excess of income over expenditures	185,125,806	55,198.423
ASSETS.		
Real estate owned	134,398,136	35,622,673
Bond and mortgage loans	733,527,576	92,890,866
Bonds owned	1,134,145.065	165,249.540
Stocks owned	145.539,084	14,189,034
Collateral loans	44,929,747	8,049,743
Premium notes and loans	254,246,488	11,656,375
Cash in office and banks	54,562.803	14,968,762
Net deferred and unpaid premiums	37,637,800	8,814,282
All other assets *a*	29,973.834	3.852,040
Total admitted assets	2,568,960,533	355.293,315
Items not admitted	23,163,001	3,316,235
LIABILITIES.		
Reserve	2,171,411,546	301,713,017
Losses and claims not paid	14,626.002	1,155,076
Claims resisted	1,081,846	87,277
Dividends unpaid and apportioned	30,409,522	5,862,832
All other liabilities *a*	27,462,907	3.239,838
Total liabilities	2,244,991.823	312,058,040
Surplus to policyholders	323,968,710	43,235,275
POLICY ACCOUNT.		
New business written and paid for — Policies	839,899	4,277,805
New business written and paid for — Amount	1,450,829,425	631,111,688
Whole life policies in force	7,374.135,263	....
Endowment policies in force	2,918,489,140	....
All other policies in force *a*	960,569,674	....
Total insurance in force — Policies	5,792,956	17,841,396
Total insurance in force — Amount	11,253,194,077	2,453 603,707
Total assets (including non-admitted items)	2,592.123,534	358,609,550
Total surplus (including non-admitted items)	347.131,711	46.551.510

a Where the various items of a few companies' statements have not been classified, the total amounts have been included in these aggregates.

A SENSIBLE DIVISION.

Mr. Bergamot had his life insured in an organization that collected its premiums in the form of monthly assessments. His assessment was three or four dollars, and to make it "come easier," as he said, he bought a small "family savings bank" and presented it to his wife.

"Now, Lobelia," he said, "as my insurance is for your benefit, I want you to see that there is always money enough in this thing to pay my assessment when the time comes round. I'll drop a dime in it occasionally instead of buying a cigar, and you can do the same with any loose change that's left in the house pocketbook at the close of each day.

"Just you take the responsibility in your own hands, and perhaps you won't buy something of every pedler that comes to the house. To show you that I trust you with it, here's the key to the bank."

Mrs. Bergamot accepted the charge. The scheme appeared to work admirably. In fact, as the end of the month drew near, it became apparent that there was more money in the bank than would be needed to pay the assessment. One evening, however, she turned suddenly to him and said:

"Henry, there was a man here to-day with the loveliest little machine for grinding up meat, so you can make your own sausage; and all he asked for it was—by the way, Henry you didn't give me the right key to that savings bank."

Mr. Bergamot took out his bunch of keys and looked them over.

"You're right, Lobelia," he said. "I thought I did—but perhaps it is just as well. I guess we'll stick to this arrangement: you keep the cash and I'll carry the key."

THE ART OF APPROACHING STRANGERS.

"One of the most important things in connection with the work of the life insurance agent," says an old field man, "is the art of approaching people. There is just as much in the art of approaching people properly as in approaching a landscape to get the best possible effect. We are all more or less animals, and we do not like to have the fur rubbed the wrong way. It is a great art to know how to approach people so as to make the best possible impression, and not arouse their antagonism or prejudice them against us at the very outset. One needs to be a good judge of human nature and to have a great deal of tact in order to approach a person in the right way.

"One should cultivate the art of reading character at first sight. Some people know at a glance what road to take in order to get into a stranger's confidence. They walk right in without hindrance, while others, without this tact, art or knowledge of human nature, can not enter at all, or not without great difficulty.

"There is nothing which will create such a good impression as a sunny face, a cheerful, gracious manner. All doors fly open, all barriers fall, before the sunny soul. He does not need to use a crowbar to make a way for himself. The doors open for him and he is as welcome everywhere as the sunshine. He does not need an introduction. His face and his manner are introduction enough, and as for confidence, such people carry a letter of credit in their faces. You cannot help believing in them and trusting them implicitly the first time you see them."

A COMPLETELY EQUIPPED AGENT.

One of the best life insurance solicitors for one of the best companies, has made more than a mere means of livelihood of his occupation. He has made it a study until he is known as one of the best posted men in the life insurance business, which, as he says, is really a science. He has perfected himself in every detail, and his intricate knowledge of life insurance is equaled by few, if any. In the pursuit of his business he has found that a knowledge of law would be invaluable, and so he has been taking a course in law, and is, it is understood, about ready to take his examination for the bar.

To know a business thoroughly and absolutely is pretty certain to insure success; but when a man sets himself to work to learn another business or profession, allied to his own, in order that he may be still more completely equipped is what comparatively few men have the courage or the persistence to do.

AN AGENT AS CONFIDENTIAL ADVERTISER.

A well-known life insurance agent, with whom the writer has been on terms of intimacy for many years, relates how, when his advice was sought, recently, he adjusted an estate for a man who had been successful in business and, in a moderate way, an operator in stocks. He is still not far from middle life and, having a competency, he decided to make everything snug and secure, and take things easy.

He was walking along a business street one noon recently, appar-

ently in profound thought, when this life agent saw and accosted him.

"I have been thinking," said the business man, "that I would clean up all my speculative investments and re-adjust my estate. What do you suggest? You know something about my resources, for, as a life insurance client of yours, I have confided in you pretty freely."

The agent went to work with his friend, with the result that after certain securities were sold—a part of the money realized was appropriated to the purchase of income life insurance of two kinds—and the surplus was invested in solid railroad mortgage bonds paying a high rate of interest—for such securities. The agent had piloted the man in his purchases of life insurance in such a conscientious and satisfactory manner that he thus showed his faith in him.

A CERTAINTY, NOT A POSSIBILITY.

Said a lady to a life insurance solicitor recently, "we're comfortable now—our income is sufficient to provide for every want—but I sometimes think that if I should lose my husband my situation would be serious. If I knew I should have the income of about $25,000 I should feel easy. I could get along in great comfort on that."

The agent suggested life insurance. At first she was not inclined to be interested in life insurance, for it seemed to her like paying out considerable money regularly and tying themselves up But the agent showed her with pencil and paper, in a very few minutes, that her husband could take out $25,000 of regular life insurance, which would not be burdensome—which sum would be paid to her all in cash in the event of her husband's decease; and he showed her how, with proper care and judgment $25,000 could be invested at six or seven per cent, which would give her a very comfortable income without her having to draw upon the principal.

This is one of the best arguments that can be put forth as an inducement to thrifty and well balanced and normal persons to insure. It is not a possibility, but a certainty.

THE PRUDENTIAL'S NEW CONTRACTS.

In announcing to the field force the intention of the Prudential to hereafter issue only non-participating contracts, President Dryden gives the following information:

The company has watched very carefully the trend of events, and after most thoughtful consideration of the entire subject the directors have decided that all ordinary business written on and after August 1, 1907, shall be issued on the non-participating plan, which will give the very best protection possible at the lowest cost consistent with safety.

Important changes and additions have been made in the new policy, and it is now not only a synonym for simplicity and clearness of diction, but is a model of liberality from every standpoint.

The premium rates for the various forms of policies have all been materially reduced, and are now at the lowest point consistent with safety.

Special Privileges.—Cash Loan or Premium Loan—Loan values, if desired, will now be granted at the beginning instead of at the end of any year when loans are available, provided the entire premium for that year has been paid.

Automatic Premium Loan.—Under this privilege, if any premium is not paid in cash, the company charges up such premium with interest against the then loan value of the policy, provided the loan value is sufficient and provided written request by the owner of the policy is made while there is no default in payment of any premium under the policy. Any premiums charged against the loan value of the policy will be considered as a loan upon the policy. In other words, the owner of the policy has the option of having premium loans made the automatic feature of his policy instead of extended insurance, provided he exercises that option while his premiums are not in default.

Grace of One Month in the Payment of Premiums (Without Interest).

Revival of Policy.—The company has more than complied with the requirements of legislation, under which a company must consider the revival of a policy within five years of the date of lapse. The Prudential grants the privilege of revival at any time

Trust Fund Privilege.—The rate of interest payable has been increased from three per cent to three and one-half per cent.

Non-Forfeiture Privileges.—The policy is absolutely non-forfeitable after the first year's premium has been paid. This is the first of the non-forfeiture privileges, which include also the privileges of cash surrender value, or paid-up policy, or automatic extended insurance, and to which has been added the new privilege of cash surrender values under paid-up life, paid-up endowment and paid-up term policies.

Under this privilege, should a paid-up life or endowment policy, or a paid-up term policy under the automatic extended insurance clause be issued as the result of the lapse of the original policy, such paid-up life or endowment policy or paid-up term policy may be exchanged for the full reserve value at the time of surrender.

A new provision has been added to the policy which is an additional safeguard to the insured, and is entitled, "Entire Contract Contained in This Policy." This means not only that the policy contains the entire contract, but it has a yet broader meaning, namely, that everything in the policy is absolutely guaranteed. The provisions are otherwise the same as in previous policies.

The new intermediate policy will be non-participating and will be in every respect exactly the same as the regular ordinary policy except as to the premium rate, and in the case of $500 policies as to the instalment, trust fund and change of beneficiary privileges. All intermediate policies will contain the other special privileges aud all of the non-forfeiture privileges, and guaranteed values and provisions. Intermediate endowment policies will be written as low as age twelve nearest birthday on both sexes.

Regular ordinary policies on the lives of women will be issued subject to a small extra premium, as follows: $3 per $1000 on all life policies during the continuance of the policy; $2 per $1000 on limited-payment life aud twenty-five and thirty-year endowment policies during the period for which premiums are paid; $1 per $1000 on ten, fifteen and twenty-year endowments during the period for which premiums are paid. Women are not charged an extra premium on intermediate policies.

Commissioned and non-commissioned army and naval officers and privates in the army will be taken at intermediate rates. The non-commissioned officers and privates in the army will be charged an additional premium in case of war or of service on the Isthmus of Panama. Applicants engaged in occupations attended by hazard will be placed in one of three general classes with premium rates accordingly, which will be fully explained in the manual of instructions.

WHAT GOVERNOR HUGHES SAYS.

Charles E. Hughes, Governor of the State of New York, who was counsel for the Armstrong insurance investigating committee, has this to say of the New York companies:

We have had great companies exposed to close and unsparing analysis, only to find that their solidity was as the rock of Gibraltar. I would rather take insurance in a New York company compelled to transact business under these restrictions than in any company not so restricted; and I believe that will be the sentiment of the people of these United States.

HOW MUCH LIFE INSURANCE SHOULD A MAN CARRY?

How much life insurance should a man carry? We shall undertake to answer that question by assuming that the end sought is to provide for his family in the event of his death, rather than to accumulate something for his own use. Incidentally, the latter feature may be considered, but, primarily, the purpose of life insurance is the protection of one's dependents. Adequate protection does not, however, require that the sum insured for should be sufficient to yield au income equal to that enjoyed by the policyholder himself while living. Certainly such income can be reduced by the amount of the insured's persoual living expenses, now no louger required. Presumably, also, every man while living sets aside a part of his net income for the purpose of extending his business or to add to his permanent investments. That, too, may be deducted. The purpose of life iusurance is to provide for the future necessities of the beneficiary, not to enable the latter to lay up money. That may be accomplished from personal earnings, once living expenses have been provided for.

Having determined the amount that will be required to maintain the remaining members of the family in the style of living to which they have been accustomed, it is nevertheless not necessary to insure for such gross sum as would yield an income of that amount; for in that case, after the income is uo longer required, the principal sum would still remain unexpended. A policy providing for an income only may be written for a considerably smaller premium than oue which calls for payment of a lump sum sufficient to yield such an income at current rates of interest. Your net income is, say $2000 a year. Of this amount, we shall assume that $1200 is applied to family living expenses, the balance or surplus of $800 being laid away for a rainy day, or, more probably, expended for luxuries and pleasures not essential to health and comfort. Assume that your personal living expenses amount to $300 a year; an income of $900 would then be sufficient to provide for the necessities of the remaining members of the family. Your age is, say thirty-five, that of your wife thirty. A twenty premium life policy providing an income of practically $900 a year ($899.60) for your widow in the event of your early death, would require a premium of $766.80, or something less than your yearly surplus of $800. Let us hope that you may live for many years to come. In that event your future premium would be reduced yearly by substantial dividends; and when twenty premiums have been paid no more will be required, but you will continue to receive your dividends yearly. Moreover, the longer you live, the older the beneficiary will be at the time of your death and the larger will be her income accordingly. If your death should occur ten years hence, her life income would be $998.80, or practically $1000 a year instead of $900. Or your death twenty years from now would mean a yearly income of $1132; thirty years would mean $1,334.20 a year, and so on. If, in any event, your widow should not live to receive her income for a period of twenty years, it would nevertheless be continued for that leugth of time—long enough for the youngest child to become self-supporting.

If you do not feel able to pay a premium of $766.80, the same income may be provided with an ordinary life policy for a premium of $562.20 payable during life, but, as in the case of a twenty premium life, reduced every year by substantial dividends. Or, a ten year term policy will produce the same income, the premium on which, during the first ten years, would be $329, likewise reduced by annual dividends but subject to increase after ten years if the insurance is renewed.

This is the ideal plan of life insurance. It simplifies the question as to how much insurance a man should carry in order to provide adequate protection for his family, and precludes the possibility of loss which has so often followed the leaving of a large sum of money to be invested by a woman without experience in business affairs. An assured income of even half the amount indicated—say $450 a year—though not a princely sum, would serve to keep the wolf from the door; while persons of larger means may provide proportionately larger incomes for their dependents—Mutual Interests.

THE SPECTATOR

A WEEKLY REVIEW OF INSURANCE.

FORTNIGHTLY LIFE INSURANCE SUPPLEMENT

Devoted to Life Insurance and the General Interests of Life Underwriting, Comments on Current Events, Suggestions and Hints for Field Workers, Technical Matters for Home Office Consideration, and Information as to What is Going On in Office and Field

ISSUED EVERY OTHER THURSDAY AS A SUPPLEMENT TO THE SPECTATOR.

New York, Thursday, August 15, 1907.

A SCRAP OF PHILOSOPHY, ITS APPLICATION.

By a Western Agent.

Occasionally a writer, who is either addicted to the "debauchery of learning" or is in need of the necessities of life, attempts to make something wonderfully profound out of the human constitution. He will take an ordinary function of the body which even an uneducated mechanic is familiar with and, by grafting it upon an elaborate theoretical explanation, and with the help of a few pretentious phrases, make it appear that a startling discovery has been made. For example, he will take suggestion, a certain tendency to act mechanically which is present in every civilized man, and explain it by a lot of jargon about a "conscious" and a "sub-conscious" mind. The existence of a "sub-conscious" mind, of course, is expected to account fully for suggestibility in each individual. Accepting this explanation for a moment, how far does it really advance the inquiry? The ignorant laborer knows that in shoveling dirt, driving a nail or dressing a stone he performs a hundred movements without even thinking about them. He simply puts his physical machinery to work and the muscles and nervous system take care of everything else. Unlearned as he is, he knows that if he had to think about each stroke it would require five or ten minutes to drive a single nail. He knows also that his heart, his lungs and his stomach do their work without any assistance from his mind. Realizing that a considerable part of his machinery has a tendency to operate automatically, he would not find it difficult to understand that the mind likewise will act automatically. If told that an insurance agent sometimes becomes so puzzled over a peculiar situation that he has to make an effort to forget it, and that after a week or two of apparent rest the problem solves itself, he could readily be made to see that it is the same kind of automatic action which enables him to strike a nail head every time. He would not feel any theoretical necessity for a "conscious" and a "sub-conscious mind." The following article will attempt some slight explanation of suggestion, will make one or two applications of it to soliciting; but as it is in no way practically helpful, will reject the "two-minds" theory.

The preceding paragraph has attempted to show suggestion is possible because the body, and even the mind itself, has a tendency to acquire the power of self-direction. This power is acquired by frequent repetition of the same effort, or by what is commonly called habit. The stonemason strikes his chisel every time, and not his thumb or fingers, because he has been aiming at the same target for years; and the solicitor's mind works out problems while he is asleep because that is its daily occupation. No explanation can go further than to say that regular practice, a constant habit, will develop proficiency. Habit, then, accounts for automatic power or suggestibility, and before the practical application can be made it will be necessary to give a somewhat larger view than is usually taken of habit.

The Effect of Habit.

The good citizen who has grown up in a large city has probably passed policemen every day that he has appeared in public. He may have been intimidated by his parents when he was a mere infant, or he may have been taught an intelligent respect for the guardians of the public peace, but in either event he sooner or later comes to view a policeman as one to whom he owes a certain amount of submission. As the years go by, and without any conscious examination of the matter, the automatic something in his nature increases his submissiveness and expands his imagination until he has endowed the policeman with the moral force of a regiment. He becomes afraid of the symbol of the social conscience and he will generally obey his slightest command. He is instantly paralyzed by the word "Halt!" if it emanates from a blue uniform. Because of this automatic growth, which has continued for years in the minds of all mature persons, it is possible for one policeman often to enforce obedience upon a mob of a hundred. Is it conceivable that the very small police force of the average city chould preserve the peace if it were not for this remarkable tendency toward a habit of obedience which develops in most men? It is, after all, however, a habit, partly hereditary and partly acquired.

The effect of habit is strikingly demonstrated in the almost slavish veneration for order, system and learning which prevails in civilized countries. Nothing so certainly arouses respect as a printed statement, and a book is almost a fairy wand. In America the boy is taught that education will accomplish miracles, that it will actually increase native brain-power, and from the time he learns the alphabet until he leaves the university, or even if he only gets through the graded school, he worships at the shrine of learning. He is astonishingly susceptible to ink and paper and his newspaper becomes his law and gospel. And yet all this submissiveness is merely the silent growth of a habit of faith, a faith that education or systematic learning is all-powerful and greatly to be respected.

Lest it might be supposed that suggestion is a mysterious something quite different from habit, one or two more brief arguments may be considered. Does anyone suppose that a real man could be induced to betray his country, desert his church or vote against his political party by mere suggestion?

From what has preceded, it will be apparent that the solicitor can hardly develop suggestibility. He must simply take advantage of it wherever he finds it. In order to influence men more readily to obey his will, it will be necessary for him to consider what habits of action, faith or obedience his prospects have acquired and then bring forward the symbols, the ideas or the arguments to which they submit. To fulfill the promise to be practical, a few points on which men are especially suggestable will now be mentioned.

Through education, and through a peculiar mental process that is hardly explainable, almost every man believes in what is scientifically called the "freedom of the will." He has a positive and vivid conviction that he does or refuses to do things independent of any external influence, and he may slowly drift into drunkenness and ruin and feel all the time that he could at any moment change his course by a resolution. Even when he has been an honest man for forty years, he generally has not the slightest doubt that he could become a thief if he chose. Because of this perfect faith in his freedom, the average

man is peculiarly responsive to the suggestion that he can leave his mark upon the world. And it is undoubtedly a fact that almost every man, intentionally or unintentionally, does do something toward making a future which he will never see. He may be the father of bright sons and daughters and, by educating them and leaving at his death a small provision for their better equipment, he may leave an impress upon society that will last through eternity. By neglecting his family, by leaving them to struggle with ignorance, poverty and low companions, he positively retards civilization and contributes his mite toward chaos and savagery. By making no provision for his own old age, he runs the risk of becoming a burden to his friends or the public and of having failed to take his part in the universal evolution. If the alternative is properly presented, this is a degradation which the average man will hasten to escape.

A Method of Self Improvement.

Because of education, and perhaps also through certain instincts toward self-improvement, a large per cent of human beings enjoy tinkering with themselves. They will half-kill themselves with ice-cold baths, toil in gymnasiums, and gorge themselves with shredded, desiccated and disintegrated foods confessedly for the sake of improving their general health. They have no real ailments, but advertisements inform them of the wonderful hygienic virtues of these things and they proceed on the theory that a stitch in time saves nine. Here is a susceptibility to which the solicitor can readily address himself. While the many small acts and habits that go to make up a man's character are not as impressive to the senses as some great public building, the existence of an external world is no more to be doubted than is the fact that the carrying of life insurance is an excellent method of self-improvement. It has been discovered that the law of habit prevails in every part of the universe to which the telescope has penetrated, and that nothing is ever begun which has not a tendency to continue. The young man who pays one premium on an endowment, even though somewhat flimsy in his character, will find it difficult not to pay another. When he has paid a second the habit will become more fixed, and when he has paid half a dozen the habit will become almost automatic. The necessity for saving, for taking thought, for making adjustments, will impart a general carefulness and thoughtfulness to his character, and his entire affairs will take on a higher tone. While some men of incurably loose habits carry life insurance, it could probably be demonstrated that the most carefully insured men are in a general way the most prosperous of men. Without in any wise straining at a point it may be asserted that, as a means of self-education and self-discipline, nothing is better than a life insurance policy. When other arguments are becoming worn, the solicitor will find it profitable to polish up the appeal of self-improvement.

Almost every man is a hero worshipper. He delights in characters and things that are greater than himself. That is why he reads novels and attends plays. A mere love story, either in a book or on the stage, if presented in the commonplace and undramatic manner of most real love stories would soon fail to interest him. He revels in the doings of accomplished heroes and strong-minded heroines, exults in the defeat of extraordinary villains and ideally admits as his equals the keen-witted Irish or negro servants. He will travel miles at any time to see a man of reputation, and in all unfamiliar matters he will base his action upon the opinion or the judgment of any alleged expert. If the prominent banker, the successful merchant, the talented lawyer, or the skilled physician of his neighborhood endorses a life insurance company or a particular form of policy, that is almost the final word for the average man. If he has an income, is not already overloaded, and the authorities of his community take life insurance, so will he. What is necessary and good for his superiors is necessary and good for him, and on this point he is highly susceptible to suggestion. The example of prominent citizens, therefore, is a powerful aid to suggestion and it should always be invoked by the solicitor.

An appeal to inherent and acquired habits of long standing, then, is a most effective application of the law of suggestion, and this form of appeal should be mastered by every solicitor who would develop his powers to their highest efficiency.

SYSTEMATIC SAVING.

Said a moderately successful but very substantial man to the writer recently, in mentioning that he had called at a certain savings bank on his way from luncheon: "I always have some place where I put away a little money, once in awhile."

Now the methods adopted by this man render saving money absolutely certain because he has so many ways, so many demands which he has created, each calling for a regular contribution. He adopted the plans for saving and they, in turn, compel him to keep it up. So that "the more you do the more you may" (or can) applies almost completely to his regular savings and accommodations of money.

For example, he regularly puts some money into the savings bank, some into the co-operative bank, some into securities, and one fund is devoted to the purchase of life insurance; and by his regular, systematic saving plans and a regular purchase of life insurance, he owns more than most men of equal resources, and so much that many people, knowing how much he carries, would be sure to ask, "how could he afford it?"

That, however, is not the proper and logical question. It should be, "how can he afford to be without it?"

Any person possessed of a large, medium or small income can, if he adopts some methodical system and adheres to it, purchase that best of all investments and protection combined—life insurance—until he has created for himself and his family a creditable estate.

TWO DECADES OF LIFE INSURANCE.

Life insurance as a great beneficence moves steadily forward in the estimation of the general public, the setback of the past two years being but temporary. Already many companies have regained all the ground lost through the unreasoning panic caused by the exposures of a few cases of bad management, while the business being written by the large number of new companies which have come into the field during the past few years, indicate that the best records of past years will soon be again reached. The individual transactions of a number of companies in a single year, as is well-known, reach very large figures, while the aggregates for all the companies as reported for a calendar year are of great magnitude. On taking the figures, however, for a period of ten years the showing is so tremendous as to be almost beyond human comprehension, the increases alone in a decade presenting totals that can only be described as enormous.

The accompanying tabulation shows in comparative form the aggregate transactions of United States life insurance companies for the years 1896 and 1906, together with the increases in the period and a further showing of the total business for the period. It will be noticed that during the ten years nearly every item has more than doubled, receipts, disbursements, assets, surplus, new business and insurance in force, all showing about the same proportionate increase. While the income has more than doubled, the payments to policyholders have done the same thing and the assets held for the present and future protection of policyholders have also increased over one and one-third times. Such results point to a most tremendous aggregate of benefits to be paid out in future years. In considering the amounts entering into the aggregates for the ten years ending with 1906, it is worth while observing that the companies paid to their policyholders a sum equal to one and two-third times the amount of assets held at the beginning of the decade, showing conclusively that the money of the policyholders does not remain locked up in the treasuries of the companies but is being continually kept in circulation. The figures entering into this tabulation are taken from The Compendium of Official Life Insurance Reports, which is the only publication giving the complete detailed statements of all United States life insurance companies.*

At the close of 1886 the life insurance business of the United States had just started on its wonderful career of progress which culminated, at least for the time being, in 1904. Twenty years ago there were but forty-seven life insurance companies in operation, and their aggregate transactions for the year 1886 appear infinitely small when contrasted with those of 1906. The premium receipts in the former year were but $94,053,037; total income, $123,612,234; payments to

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* Published by The Spectator Company, 135 William street, New York. Price, $2, bound in flexible leather.

policyholders, $63,958,854; income saved, $35,532,387; admitted assets, $583,625,289. The new business written during the year, exclusive of industrial was about $450,000,000, while the ordinary insurance in force was less than $2,300,000,000. The value of life insurance was never more highly appreciated than now, and as the years go on the vast sums distributed will prove a still more important factor in the economic condition of the country at large.

	1906	1896	Increase in 10 Years. (1897-1906)	Totals for 10 Years (1897-1906)
Number of companies...	138	57	81	....
Capital stock..........	$22,724,130	$12,471,350	$10,252,780	....
INCOME.				
New premiums	72,929 131	40,687,247	32,241,884	$682 585,865
Renewal premiums *a*...	448,586,544	182,237,826	266,348,718	3,110,509,491
Received for annuities..	5,079,223	5,044,290	34,933	76,086,752
Total prem. income..	526,594,898	227,969,363	298,625,535	3,869,182,108
Dividends, interest, etc.	112,738,551	49,332,564	63,405,987	779,467,048
Received for rents......	11,030,126	5,512,146	5,517,980	88,449,347
All other receipts *a*.....	16,822,017	912,782	15,909,235	83,733,988
Total int. and other inc.	140 590,694	55,757,492	84,833,202	951,650,383
Total income........	667,185,592	283,726,855	383,458,737	4,820,832,491
EXPENDITURES.				
Paid for death losses ...	153,028,880	77,295,107	75,733 773	1,173,465,488
Pd. for matured endow'ts	29,271,767	12 303,068	16,968,699	210,905,542
Annuities paid.......	7,049,333	2,633,198	4,416 135	49,078,434
Pd. for surrend'd, lapsed and purchased policies	57,707,539	26,731,568	30,975,971	323,696,110
Dividends to policyh'rs.	40 268,110	17,216,067	23 052,043	275,243,859
Tot. paym'ts to pol'h's	287,325,629	136,179,008	151,146,621	2,032,389,442
Dividends to stockhold's	956,520	856,301	100,219	8,903,135
Commiss'ns, salaries and traveling exp. of agts.	84,004,663	39,989,016	44,015,647	704,724,656
Medical fees, salaries and other ch'g's of empl's.	20,257,452	8,886,073	11,371,379	154,252,564
All other expenditures *a*	34,317,099	16,632,720	17,684,379	265 002,061
Tot. exp. of managem't	139,535,734	66,364,110	73,171,624	1,132,882,416
Total expenditures...	426,861,363	202,543,118	224,318,245	3,165,271,858
Excess of inc. over expen	240,324,229	81,183,737	159,140,492	1,655,560,633
ASSETS.				
Real estate owned......	170,020,809	135,051,096	34,969,713	....
Bond and mortg. loans..	826,418,442	442,035,471	384,382,971	....
Bonds owned*.........	1,299,394,605	21,487,314	{ 960,515,777	....
Stocks owned*.........	159,728,118	477,119,630		....
Collateral loans........	52,979,490	38,456,686	14,522,804	....
Prem. notes and loans..	265,902,863	44,833,176	221,069,687	....
Cash in office and banks	69,531,565	46,075,391	23,456,174	....
Net def. and unp'd prems	46,452,082	24,177,975	22,274,107	....
All other assets........	33,825,874	14,324,374	19,501,500	....
Total admitted assets.	2,924,253,848	1,243,561,111	1,680,692 737	....
Items not admitted...	26,479,236	8,583,521	17,895,715	....
LIABILITIES.				
Reserve	2,473,124,563	1,047,656,922	1,425,467,641	....
Losses and cl'ms not p'd	15,781,078	6,510,034	9,271,044	....
Claims resisted	1,169,123	1,107,898	61,225	....
Dividends unpaid......	36,272,354	2,360,692	33,911,662	....
All other liabilities *a*....	30,702,745	8,905,738	21,797,007	....
Total liabilities.....	2,557,049,863	1,066,541,285	1,490,508,578	....
Surplus to policyh'ds.	367,203,985	177,019,826	190,184,159	....
POLICY ACCOUNT.				
New bus. actually p'd for	1,450,829,425	734,283,396	716,546,029	13919,741,571
Whole life pol. in force.	7,374,135,263	3,556,529,307	3,817,605,956	....
Endowm't pol. in force.	2,918,489,140	1,160,506,463	1,757,982,677	....
All other pol. in force *a*.	960,569,674	338,913,738	621,655,936	....
Tot. insurance in force	†11,253,194,077	5,055,949 508	6,197,244,569	....
Industrial bus. written..	631,111,688	360,908,034	270,203,654	5,634,719 912
Industrial ins. in force..	2,453,603,707	887,117,984	1,566,485,723	....

* Prior to 1901 figures represent United States bonds and other stocks and bonds.
† All companies on paid-for basis. *a* Where the various items of a few companies' statements have not been classified, the total amounts have been included in these aggregates.

FIRST SUPPLEMENT TO THE HANDY GUIDE FOR 1907.

The Spectator Company has just issued the first supplement to the 1907 edition of The Handy Guide to Premium Rates, Applications and Policies. It is a valuable document, inasmuch as it contains a large amount of data respecting new plans, rates and policies put forth by several companies since the complete work was issued a few months ago. Every active agent is necessarily desirous of keeping in touch with the latest forms of contract issued by companies other than his own, and this document enables him to do so. The present edition contains the new policy of the Ætna Life, together with the premiums charged for the varying forms thereof; also new policies of the Greensboro Life and National of Vermont. At the request of a number of agents, there is given the dividends being paid under distribution policies by the Mutual Life of New York in the current year, while the new plans of the Prudential are exhaustively dealt with—premiums and surrender values being given as well as the policy contract. The price of the supplement to subscribers to The Handy Guide for 1907 is twenty-five cents per copy, and orders will be filled in priority of receipt. Subscribers are advised to remit seventy-five cents for the three supplements that will be issued prior to the 1908 edition, so that they may receive their copies promptly. Non-subscribers to the current edition of The Handy Guide may obtain this first supplement at fifty cents per copy.

INVESTMENT AND PROTECTION.

Life insurance makes a splendid form of obligation in any savings plan, whether one is aiming to build up an estate of real property or miscellaneous securities; and it is usually the form of investment which the true economist should first choose, if he has dependents. Moreover, viewed as an investment pure and simple, it has everything to commend it. It is sometimes said that life insurance is more costly than any other kind of investment; but those who make this comparison, off-hand, to the disadvantage of insurance, either disregard or forget to take into account the protective advantage of a policy. This, a feature which is fully as attractive and as valuable as the investment feature, is really the chief thing, and it costs nothing.

THE ROBERTSON LIFE INSURANCE BILL IN TEXAS.

A lengthy communication appeared recently in The Fort Worth (Tex.) Telegram over the signature of J. Y. Hogsett, president of the Fort Worth Life Insurance Company, in defense of the so-called Robertson bill, which has caused the withdrawal of a number of foreign life insurance companies from that State. Mr. Hogsett vigorously defends the bill, taking the position that funds can be invested in Texas so as to earn 4 or 4½ per cent net, after paying all taxes. Among other things Mr. Hogsett says:

The representatives of the departing companies seem very solicitous about the welfare of their policyholders on the ground that this tax if paid eventually comes out of the policyholder. Take it that that is true, from the legal standpoint do they help the Texas policyholder any by leaving the State? The constitution of this State provides specifically the property that is exempt from taxation in this State, and provides that all laws that attempt to exempt any other property from taxation are void. It so happens that a policy of life insurance is not included in the exemptions. A life insurance policy is as much a property as a promissory note, bond, or a deposit in a bank. It is a good collateral upon which money can be borrowed either from a bank or from the company issuing the policy, most policies having a loan value named in their face, and above all, most of the policies have a cash surrender value. Therefore, it seems to me, there can be no question but that under the law of Texas a life policy is taxable. Now, it is true that the company issuing the policy stands in the nature of a trustee for the policyholder and holds the reserve as in trust for him. Therefore, if the trustee pays the taxes upon this reserve, it would be a double taxation to make the beneficiary or policyholder also pay taxes upon it. Hence, I take it that policyholders in companies that pay taxes upon their reserve in Texas are exempt under this rule from paying taxes upon their policies, but when the company leaves the State and refuses to pay upon the reserve, it seems to me clear that the policyholder is liable.

It may be said that heretofore policyholders have not been required to pay taxes on their policies, notwithstanding the fact that the companies have not paid upon the reserve. In reply I beg to say that heretofore very few people have paid upon their bonds or notes or bank deposits, but that new laws have been passed upon this question looking to the requirement of a full rendition of property of all character that is subject to taxation. As to how well these laws will be enforced it remains yet to be seen, but I speak of the question as a legal question and not as to the matter of how well the law is going to be enforced. With this view of the question, have the departing companies rendered any favor or benefit to their policyholders in Texas?

NEW YORK ANTI-REBATE LAW.

The following is the text of the act relative to discriminations in life insurance passed at the recent session of the New York Legislature and signed by the Governor.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Section eighty-nine of chapter six hundred and ninety of the laws of eighteen hundred and ninety-two, entitled "An act in relation to insurance corporations, constituting chapter thirty-eight of the gen-

eral laws," as amended by chapter three hundred and twenty-six of the laws of nineteen hundred and six, is hereby amended to read as follows:

Sec. 89. Discriminations Prohibited.—No life insurance corporation doing business in this State shall make or permit any discrimination between individuals of the same class or of equal expectation of life, in the amount or payment or return of premiums or rates charged for policies of insurance, or in the dividends or other benefits payable thereon, or in any of the terms and conditions of the policy; nor shall any such company permit or agent thereof offer or make any contract of insurance or agreement as to such contract other than as plainly expressed in the policy issued thereon; nor shall any such company or auy officer, agent, solicitor or representative thereof pay, allow or give, or offer to pay, allow or give, directly or indirectly, as inducement to any person to insure, or give, sell or purchase, or offer to give, sell or purchase as such inducement or in connection with such insurance, any stocks, bonds or other securities of any insurance company or other corporation, association or partnership, or any dividends or profits accruing thereon, or any valuable consideration or inducement whatever not specified in the policy, nor shall any person knowingly receive as such inducement, any rebate of premium, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any paid employment or contract for services of any kind or any valuable consideration or inducement whatever, not specified in the policy. No person shall be excused from attending and testifying or producing any books, papers or other documents before any court or magistrate, upon any investigation, proceeding or trial for a violation of any of the provisions of this section, upon the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to convict him of a crime or subject him to a penalty or forfeiture; but no person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter or thing concerning which he may so testify or produce evidence, documentary or otherwise, and no testimony so given or produced shall be received against him upon any criminal investigation or proceeding. No premium upon any policy of life insurance issued on or after January first, nineteen hundred and seven, shall be charged for term insurance for one year, higher in amount than the premium for term insurance for one year at the same age under any other form of policy issued by such corporation.

Sec. 2. This act shall take effect immediately.

TEXTS FOR THE TIMES.

Following are extracts from an address made by President Kingsley of the New York Life at Chicago, on August 3, to a gathering of policyholders and agents:

What life insurance management faces to-day is not a correction of faults, and the wickedness in spots with which it was properly enough chargeable, but monstrous things, untruths, and what sometimes seem to have been wilful misrepresentations.

There is evidence everywhere of reawakened interest.

The companies pay their death claims and their dividends. They show that every line in their contracts is good for all it calls for.

Every great forward movement amongst men has written a story which is not unlike the chapter recently written in the history of our business. If ours had been a business of small importance there would have been no investigation; if life insurance had not begun to assume national importance, it would not have been put through the fiery ordeal from which it is just emerging. But it is a national, even an international question; it does come straight from the homes and hearts of the people.

Life insurance was caught up at the close of a period of enormous activity and growth, and subjected to the judgment of a jury to which was presented all the errors and faults of administration, all of the evil practices of a few men; but the virtues, the beneficence, the strength, the essential integrity of management were not presented. The jury was merciless, which was right; because to be consistent with its high profession, life insurance, within reasonable limitations, must be ready at any time to go upon the stand and answer the fair judgment of mankind.

Men began to preach life insurance sixty years ago seriously and earnestly. The idea has been in the world for a long time, but the world has only lately begun to understand and accept it.

The future of this world-wide institution and to a large degree the future of life insurance, rests in our hands. I say "our" hands becauce a large degree of responsibility rests upon the policyholder.

Life insurance will go on to the fulfilment of its high purpose. Legislatures may hinder it. Taxation may burden it. Demagogues may use it for unworthy purposes. Indifferent and even bad administration may now and then put it to shame. But it will go on because the public interest demands it.

CONFIDENCE IN THE FUTURE OF LIFE INSURANCE.

"Pessimism and radicalism are fast giving way to conservative optimism. In spite of the extremists and alarmists, we are maintaining our reputation as the most progressive and prosperous nation on earth. Our speed limit has been somewhat reduced by certain untoward developments of the past two years, seriously shaking public confidence in some quarters, but I can see no dangerous pitfalls ahead which the good, sober sense of the American people cannot successfully avoid."

Thus spoke former United States Senator John F. Dryden, president of the Prudential Insurance Company, when asked for his opinion of the general business conditions of the country, the future of life insurance, and especially with regard to a report that the Prudential is about to make a radical departure in its insurance business as a result of the recent legislation and public sentiment by going exclusively on a non-participating basis.

"The country will continue to progress," continued Mr. Dryden, "not only because we deserve to, but because we are inherently rich in everything that contributes to a nation's welfare, and of especial importance at this time, in men of brains and energy who are going ahead with true Yankee grit and spirit in their various industrial enterprises, full of confidence in themselves and in the future, regardless of socialistic agitation and unwise legislation.

"With everybody employed who is able or willing to work; with demands for labor increasing; with our farms producing fair average crops; increased mining productions; factories working everywhere; savings banks deposits largely increasing; the soundness of our financial institutions so manifestly emphasized by recent experiences, and with the courts as bulwarks against ill considered and socialistic legislation, recent and threatened, it is with a feeling of confidence only that I view the future business outlook.

"As to life insurance, I feel we are approaching a new era. Mightier than ever this great force, so vitally affecting modern civilization, has emerged from a period of sore trials, unshaken in its inherent soundness and is now beginning to move forward to wider and stronger fields of uefulness.

"It is the robust constitution of the patient rather than the faults and evils producing the hysteria that is already taking a hold on the public mind and which history will record as one of the wonderful features of the trying ordeal through which this business has recently passed. These experiences have not been without their lesson. They have produced new conditious which it will take time and the good sober judgment of the people satisfactorily to adjust. With it all, however, comes a new recognition by the public at large of the beneficent aims and achievements of life insurance, and an absolute demand for good, straightforward insurance contracts with institutions whose integrity and solidity remain unshaken.

"Keenly alive to these new conditions, the Prudential has just adopted the policy of hereafter writing exclusively non-participating business. Thus by this form of insurance all uncertainty will be removed; all errors of judgment eliminated; all possibility of a misunderstanding regarding ultimate dividends or results done away with, and the insured knows definitely and specifically that he is getting the lowest possible premium compatible with safety, and that the beneficiary gets exactly what is paid for.

DOUBTFUL PROTECTION.

Significant statistics of assesment life insurance societies have been published by THE SPECTATOR, one of the standard insurance publications of the country. They bear out the statements which I have frequently made in this column regarding the doubtful character of the protection afforded by this class of life insurance organizations. The lapse column shows the effect of the increasing death rate in driving out members who are unable or unwilling to pay the increased cost of insurance which necessarily results, under the assessment plan, from a higher death rate. For example, in 1896 the new policies of the Independent Order of Foresters numbered 24,124, the lapses 7280; in 1906, 35,493 new policies were written, and there were 20,186 lapses. Thus, with a death rate per thousand of 5.12 in 1896, the ratio of lapses to new policies was about 7 to 24; in 1906, with a death rate of 7.75, the ratio of lapses to new policies had risen to 4 to 7. In the case of another "benefit" organization (selected at random from the table) whose ratio of lapses to new policies in 1896 was approximately 2 to 1, the lapses of 1906 were to the new policies as 130 to 1—this on an increase in the death rate during the ten-year period from 9.96 to 39.47. Of the fraternal orders, which now handle the great bulk of assessment life insurance business—the vast majority of out-and-out business associations having come to disaster—THE SPECTATOR says:

"Credit must be conceded to the managers of many for their efforts to place the business upon a more sure foundation, but their efforts are, in general, foredoomed to failure, owing to the fact that through their system of government by personal representation, delegates ignorant of the fundamental principles of life insurance force through a compromise plan. Such compromises are in general only likely to make confusion worse coufounded."—The Hermit in Leslie's Weekly.

A THIRTY-YEARS' RECORD.

The twenty-eight companies whose business in the State of New York covers the past thirty years have during that period paid to policyholders and beneficiaries the sum of $3,094,452,575, as shown by an article published in THE SPECTATOR of New York. They have meanwhile added to reserve funds held strictly for the benefit of policyholders to meet future deficiencies in the level premium and pay every claim in full, $2,085,488,570. The total to policyholders is thus $5,179,941,145. Payments of premium meanwhile aggregate $4,888,731,375, almost three hundred millions less than the benefits. Yet to conceive of the value of life insurance as measured by the surplus of benefits over premiums, is to misunderstand it. It is not a speculative, or even a moueymaking institution. It exists for the protection of those to whom death or age makes its aid necessary or helpful. It appeals to unselfishness, and to present self-denial for sake of future good. As in every cause upon such a basis, it must have men to actively forward its interests, rousing the indifferent, convincing the doubtful, and persuading those convinced to act. As the one great institution for the relief of helpless need without the taint of charity, in every working day of 1906 life insurance distributed an average of over one million dollars in death claims and matured endowments. How many doors of hope have these dollars opened to dependents dazed at the loss of their natural protector? What labors of old age have been lightened by the leaven of the endowments? Literally the benefits of life insurance to the country are too extensive for comprehension. A remarkable fact is that the companies should in thirty years have accomplished what they have in the active spreading of the life insurance gospel, and still have paid to and saved for beneficiaries six per cent above the total payment by policyholders.—Fidelity Mutual's Bulletin.

THE SPECTATOR

A WEEKLY REVIEW OF INSURANCE.

FORTNIGHTLY LIFE INSURANCE SUPPLEMENT

Devoted to Life Insurance and the General Interests of Life Underwriting, Comments on Current Events, Suggestions and Hints for Field Workers, Technical Matters for Home Office Consideration, and Information as to What is Going On in Office and Field

ISSUED EVERY OTHER THURSDAY AS A SUPPLEMENT TO THE SPECTATOR.

New York, Thursday, August 29, 1907.

SOME UNIQUE TRANSACTIONS THAT WERE NOT PROFITABLE.

[By a Western Agent.]

The other day I called on a manager with whom I am on terms of intimacy, and while we were chatting pleasantly a message came over the telephone describing the arrest of two confidence men who have been operating among insurance agents. I did not learn the details of their method, but they are unnecessary to my present purpose. It would appear that one or both of the operators would call on a manager and represent themselves as brokers. They were in touch with some gambler who had won an enormous sum on the race-track and who desired to insure his life. The brokers, of course, were in a position to choose the gambler's company and their story would naturally interest the manager. While they were negotiating for the insurance obstacles would arise and delays would occur. More interviews would be necessary, and when the manager began to be pretty thoroughly excited over the prospect of business, the brokers would incidentally speak of an absolutely reliable tip which they had from their gambler-applicant and offer to share their information with the manager. Having a vision of a large commission in view, he would not object to a small speculation, and would readily part with $25 to stake upon a race. The brokers then disappeared and no more could be heard of the gambler-applicant. I am conscious of being a trifle hazy as to the precise method of this scheme, and it may be that only one operator called upon the manager, but it is probably not important. The design in its simplest form was first to interest a manager in a proposed application and then to obtain money from him for a race-track speculation.

I have not learned of any managers who have been victims of the swindle, but in discussing it with my friend I said: "It is simply impossible for me to understand how such tricks can succeed. They make not the slightest appeal to me and I would suppose that a confidence man could not earn his salt at the game."

"Well, now, there's where you are mistaken," replied my friend. "A life insurance agent will do a lot of queer things if he thinks he can get a little business by it."

I have been thinking over his remark since our conversation, and I could recall a hundred verifications of it. Notwithstanding that life insurance is addressed to all that is high and noble in human nature, in its practical aspects it is what we call an artificial calling. That is, it has not grown out of any immediate physical necessities of men and it is only possible in a time of advanced civilization. The extreme savage protects himself against nothing but immediate danger and does not even provide food for to-morrow. Because the need for life insurance is artificial it is seldom or never pressing and men either postpone supplying it or waive it altogether. Consequently, the insurance solicitor, the merely average agent, is always somewhat troubled about where the next application is to come from. Being in most cases entirely dependent upon his sales for the supply of his own needs, he is never entirely free from the haunting fear that applications may some time be unobtainable, or that they will be so scarce that he will have to earn his livelihood by other means. Because of these difficulties and apprehensions he becomes a trifle weak on the subject of applications and will make all kinds of fearful and wonderful bargains. A friend told me not long ago that he once applied for a $10,000 policy and arranged to pay the entire first and second premiums in surgical tables. The proposition did not originate with himself but with the agent who was so desperately in pursuit of business that he was willing to buy it. In five years he had not yet called for his tables. It was apparently a rebate pure and simple, but suppose that he had originally made the bargain in good faith and had intended to make a real exchange? Could the agent, wholly lacking in experience in selling surgical tables, have sold them as easily as he could life insurance policies?

Some Queer Transactions.

A book agent once traded a life insurance agent a set of books for a life insurance policy, and both parties were so deeply in debt that they could not pay their board bills; and yet they somehow imagined that they could profit by this transaction. An agent once wrote a $5000 application and accepted in payment of the first premium a litter of thoroughbred dogs. He gave the dogs away and the policyholder never paid a second premium. I happened to be present one day in an office when a broken down doctor who was organizing a life insurance company agreed to take several thousand worthless gas lighters if the owner of the junk would apply for a policy in his new company. It was an alluring offer and the application was written, but the company was never launched and the gas lighters were ultimately sold for scrap iron. Strange as it may seem, the proprietor of the lighters was also the organizer of a life insurance company.

The cases I have described are somewhat extreme, and I do not intimate that such eccentricities are characteristic of all solicitors, but it is undoubtedly true that even the best agents will occasionally engage in an absurd transaction for the sake of acquiring business. The persistent effort to sell what men seldom willingly buy does undoubtedly in time develop a kind of itching for applications and a certain carelessness about methods. I am not now concerned with the subject of philanthropy, but I may say in passing that all artificial callings weaken a man's moral fibre a trifle. He finds success so hard to reach and appreciation so rare that he loses his finer scruples in the struggle for results. I have known secretaries of benevolent and religious institutions who were so hardened that they boldly spoke of "pulling a rich man's leg" for contribution.

In thinking over the race-track confidence game and the eccentric transactions which I have just described, it seemed to me that it would be timely to offer a few suggestions for avoiding or rising out of the mire which so often besets the insurance agent's path.

In the first place, it is a law of the human mind that too much conscious attention to a process ruins it. When a solicitor is just learning his art he must watch himself with great care. He must attend closely to his papers and think over them again and again with tiresome iteration. He must talk about his facts, his arguments and his illustrations with his superior, his associates and his friends. He must in some way more or less consciously practice, but ultimately his prac-

tice days are largely over. When he interviews a real prospect he must be a supposed artist, and then he must handle his materials as freely and as confidently as if he knew every document word for word. He may make mistakes which the prospect will not notice, but he must appear to know what he is doing, and if at such a time he began to think about his processes in the same way that he did while merely acquiring his facts and practicing for his work he would fail ignominiously. If he began to doubt while presenting a particular argument that he was stating it correctly he would break down instantly and lose the attention of the prospect. It is a fact that every piece of real work is done mechanically. The mind simply looks on and sets the proper muscles and nerves in motion and they perform their duties through habit.

The same is true of soliciting in general, and a man must therefore first learn how to do good and then acquire and persevere in the habit of doing it. If he puts in so many hours each day in the pursuit of his calling and in accordance with the highest standards of his nature he will succeed. If he does not, it is because he has no natural ability for soliciting and should abandon it. It is true that no man and no company would long persist if they did not secure business, but the infallible law of success is patient and persistent effort for its own sake. It is in the highest view of it, not a man's business to keep the idea of success before him. It is his business to keep the necessity of unremitting work before him and then success will follow as night follows day.

I can talk on this subject with a good conscience because I have been a great sinner against my own doctrine. I have found myself before now viewing the outcome of a particular transaction as if my future in this world and the next depended upon it. I have lost an application on which I had almost staked my soul and then I was prostrated for days. When I rose again I inquired of myself, now can life ever really amount to anything to a man if he is in heaven one week and in hades the next? What happiness can one ever have if it must forever depend upon results? Can one expect to be perpetually in a fever and an uproar? Having answered all these questions in the negative and made a resolve to act upon sounder principles, I go to work again and set my heart simply on doing a day of honest, faithful consciousness soliciting regardless of results. I follow this program for a few days, and just as I am acquiring peace of mind I write an application. It generates a fever again, and by the time the applicant is examined and the papers are mailed to the home office, I begin to feel flat. I undertake to solicit, and the work is insipid. I long for another application and come dangerously near to falling into discouragement. Again I take stock of myself and remind myself that my salvation depends simply upon a regular amount of honest work and that applications are merely incidental. Whenever I can banish the craving for applications I can solicit calmly under the most discouraging conditions, but if I allow the mania for success to take hold of me I have a very bad quarter of an hour.

Successful Men Great Workers.

Now I am not the only man in the world, and I do not assume that every man can regulate his life by my method, but I do know that what I have described is sound in principle and I do not recommend it because it is mine. In fact, I suspect that I really learned the principle from someone else, and finding that I needed ballast of some kind, I simply adapted it to my constitution. Be this as it may, it is a fact that successful men are tremendous workers. As a man of learning has said they are "prodigiously restless." It may not interest the solicitor to know that Gladstone was a demon of unrest and that he walked from fifteen to twenty-five miles after he had done more work than most men, or that Dickens after writing all day thought nothing of walking twenty-five miles; but they may be interested in knowing that the most successful life insurance solicitors and managers are intensely active. I had a slight acquaintance with one of the most successful managers in the United States, and it is said that as he used to dictate letters he had a habit of striking the seat of his chair with a pencil. It was made of leather and in time it was reduced to the status of a mere sieve. The most successful manager that I at present know is a member of a dozen clubs and is apparently never at rest for a moment. In fact, just to verify the statement that successful men are restless, I discussed the subject for about two hours with a friend and we ran over a list of successful men that we know. We found no striking exception to the rule and but few partial exceptions. We found that the successful men that we know are always busy and that apparently they seemed but little concerned about results. They seem to enjoy their activities and are not anxious about the outcome. On the other hand, the worst failures we know are those that are not conspicuously active, but have all their souls staked on their ends. They work for what they get and not for the work itself. If the solicitor will look to the work and not stake his all upon results, he will have no occasion to make eccentric transactions or to be swindled by confidence men.

LOSING TRACK OF A CUSTOMER.

A gentleman who insured with a certain company, almost twenty years ago, informs the writer that he has not been approached by a representative of that company since, while he has been solicited almost an innumerable number of times by agents of other companies.

"Why is it," he asks, "that I have not been asked by this company to take further insurance? Perhaps it is because they think I am not able to do so, inasmuch as the policy I took nearly twenty years ago was a small one. And yet I have got ahead in almost twenty years, and I now own twenty times as much insurance as I took from that company twenty years ago. I know the company is a good one—there is none better—but I have been solicited by able representatives of other companies, equally as good, and, wanting more insurance as the years went on, I have taken it with them."

This experience is rather unusual in these times. In the more progressive companies, and companies of equal soundness, it is the practice of agents, if they are up-to-date, to keep track of the insured, and try to sell him more insurance. They keep in touch with him, his improved financial condition, his general prosperity, and keep him posted relative to his changes of age, the rates, new and attractive contracts that his company is offering, maintaining friendly relations with him, which often ripens into a mutual confidence which is valued by the client and which is to the agent's financial advantage. Many men feel toward life insurance exactly as they feel toward any other form of good investment—and they appreciate the loyalty of a good agent, in whom they have confidence, because they understand that he knows more about insurance than they do, and they rely upon their friend, the agent, to give them good counsel and put them in the way of securing those forms of contracts most suitable to their requirements. Most progressive companies regard people who have taken a policy with them in about the same light as a commercial house does a patron—as a customer to whom they try to sell more goods.

THREE CARDINAL DUTIES.

Various bits of sage advice are handed out at one time or another by men who count themselves well qualified to give counsel. Some of these sayings are wise and some are otherwise. Out of a considerable collection of them there are always a goodly number worth remembering, and some of them are worth following.

Lieutenant-Governor Draper, of Massachusetts, is the author of a motto which runs thus: "Buy a pew in church, attend political caucuses, and insure your life."

That is not bad advice from any point of view, but it reminds the writer somewhat of a sign in a Boston restaurant some years ago. The keeper of the restaurant was an extremely religious man and he was accustomed to have displayed on the walls of the restaurant various texts and quotations from the Bible. One of these, which hung behind the cashier's desk, was, "Prepare to meet thy God." One Thanksgiving season, probably without intending to make such a juxtaposition, a placard was hung directly below the above quoted biblical phrase, which read as follows: "Try our Thanksgiving mince pie."

It would have been eminently proper to have placed beneath the mince pie sign another reading, "Insure your life."

Certain it is that every man in the community should pay pew rent or otherwise contribute to the support of some church, and it is equally true that he should insure his life. Churches are necessary in every community, and if they are to be maintained and do the good work

of which they are capable, funds must be forthcoming; and there are mighty few men in this country who cannot afford to pay something every year to support the church, purify politics, and protect their families. On the whole, Lieutenant-Governor Draper's figurative advice is good and worth accepting and acting upon by everybody everywhere.

VALUE OF CHURCH AFFILIATIONS.

At lunch, recently, two agents for different life insurance companies were discussing ways and means of selling policies, and the point came up as to whether or not it was right and honorable to, directly or indirectly, take advantage of church associations, affiliations, or acquaintance in securing business.

"Well," reflected one agent, " it 'depends,' somewhat. I do not think it would be right to affiliate with a church with the prime object in view of getting business; but I consider inducing people to insure, showing them how desirable it is as an investment and means of saving, and for the welfare of their dependents is a religious duty and in the line of 'doing good.'

"I have known cases where men, prominent in the church, regarded as shining lights, models of morality, good citizenship, wealthy and looked up to, whose judgment was relied upon and respected, who used their church prestige to sell wild-cat mining stocks, which they knew were worthless and could never be otherwise. And they left a trail of lost savings, small and hard-earned, as they usually are, in a country community—mortgaged homes and despair."

How different would be the conditions resulting from the work of an honest life insurance agent for a reputable company!

Instead of leaving the community devastated, with savings swept away, his work would enormously, many fold, increase the wealth of the community, making the future bright for those who, besides being the owners of gilt-edge investments, would still have their little savings intact.

The first was a wolf in sheep's clothing, the second an angel in disguise.

AN OLD LIFE INSURANCE CRIME.

"Oh, yes, the life insurance investigations and scandals made our work mighty unpleasant for a time," said the solicitor, "but that is past and gone now, except in a few isolated cases. I encountered such a case a few days ago. I had talked up a policy with a young man in a machine shop, and was to call at his house on a certain evening to close the deal. He hadn't said a word to signify that he had ever heard or read of any trouble with the companies, but had given me to understand that he regarded life insurance as the safest kind of investment. A surprise awaited me when I called at his house. The mother met me and she was armed for the fray.

"Is the president of your company in the State prison?" she asked.

"He is not."

"How many millions of dollars have you cheated the widows and orphans out of?"

"Not a red cent."

"How many poor old men have you robbed of their policies and sent to the poor-house to die?"

"Not a blessed one."

"How many millions are you going to contribute to the campaign fund next election?"

"Not the half of a cent."

"Thus far," continued the agent, "I thought I had a shade the best of it, but as I smiled into her face the old dame stepped back and said, "That may all be true, but you know that your company assassinated Abraham Lincoln, and you might as well look for diamonds in the street as for life insurance here. Go back to your supper, Tom. Good evening to you, assassinator!"

FIRST STEP TO FORTUNE.

There is more than one tangible feature to a life insurance policy which the agent can use to great advantage, with the assurance that he is "putting up" a thoroughly business proposition. The feature referred to is the use of a policy in teaching and inducing thrift and compulsory saving. This is a real tangible value. For the economist who late in life starts out on the only real, true road to wealth, life insurance may be, and probably will be, the only safe beginning. Thus, while he saves and invests, his dependents are protected.

It has been said, by way of argument, that a life insurance policy is an abstract thing; that realty is visible and present. The only answer to this is, that no form of property could possibly be less abstract than a life insurance policy, and nothing can be more tangible, real and present, safe and sure.

RULING UNDER SECTION 97 OF THE NEW YORK LAW.

Superintendent Otto Kelsey has recently made two rulings regarding section 97 of the New York insurance law (relating to limitation of expenses). The first disposes of an idea that has been prevalent regarding the advantages of term policies so far as commissions are concerned, while the second deals with payments to soliciting agents in excess of the sums provided for by the limitation. The rulings are as follows:

You "ask for a construction of Section 97, and particularly of the language at the close of the first sentence: 'and the present values of the assumed mortality gains for the first five years of insurance on the policies on which the first premium or instalment thereof has been received during said calendar year, as ascertained by the select and ultimate method of valuation as provided in Section 84 of this chapter' and with direct reference to the amount which is set free for the first year's expenses under this provision in the case of premiums on term policies."

I am of the opinion that the law permits only such expense allowances as can actually be realized under the select and ultimate method of valuation; in the case referred to not to exceed the "net annual premium on the term policy less the tabular cost of insurance by the select and ultimate table up to the next anniversary of the policy."

You ask for a construction of that portion of Section 97 of the insurance law which reads as follows:

"No domestic life insurance corporation shall in any calendar year after the year nineteen hundred and six expend or become liable for or permit any person, firm or corporation to expend on its behalf or under any agreement with it (1) for commissions on first year's premiums, (2) for compensation, not paid by commission, for services in obtaining new insurance exclusive of salaries paid in good faith for agency supervision either at the home office or at branch offices, (3) for medical examinations and inspections of proposed risks, and (4) for advances to agents, an amount exceeding in the aggregate the total loadings upon the premiums for the first year of insurance received in said calendar year (calculated on the basis of the American Experience Table of Mortality with interest at the rate of three and one-half per centum per annum) and the present values of the assumed mortality gains for the first five years of insurance on the policies on which the first premium, or instalment thereof, has been received during said calendar year, as ascertained by the select and ultimate method of valuation as provided in section eighty-four of this chapter."

I am of the opinion that this provision of the law prohibits the payment to a soliciting agent of any sum of money in excess of the limitation therein set forth.

THE SUMMER'S HARVEST.

In the early spring the farmer tills his fields and plants his seeds; during the early summer, when the crops are growing, he watches over and cares for them; and during the autumn they come to maturity and are harvested. In the late autumn, "when the frost is on the pumpkin," the thrifty farmer rejoices in full barns and a bank account that has grown by the profits of his industry. So during the summer he looks with satisfaction over his wide fields of ripening grain, his acres of waving corn or wheat or rye, and is contented at the thought that the approaching stern months of the cold winter, which will follow the summer, will not catch him unprepared. He will have ample stores of wood cut and dried and ready for his fireplaces, fodder for his domestic animals and, from the profits of his harvests, food and clothes and comforts for himself and family.

The life of the practical and industrious farmer typifies the life of all men who succeed. The cycle of the year represents the cycle of their life. When a man is young he prepares for the winter of his life by hard work. He stores up the profits of his labor instead of spending them all as he makes them, so that in the autumn of his life he may rest from toil and live in comfort.

The intelligent farmer knows that sometimes there comes a barren year, a season when drought or freshets or a plague of insects may devastate his fields and destroy all his hard work of that year. So he insures against this emergency by laying by more than is necessary to carry him through one winter. Life is full of accidents, and against these accidents he must prepare. So, too, the thoughtful business man insures himself against accidents—the accident of disease and death. He realizes that he may be now earning enough to support himself and family in comfort, but that he may suddenly be carried away by death and then his family would be deprived of his earning capacity.

The young man in the springtime of his life must have a thought for the winter, just as the farmer in the spring of the year must think of coming frost. He must put aside a part of his earnings where they will be safe so that he may use them when he has ceased to work. The man who while he was young has procured endowment policies for himself

and who, during the succeeding years, never fails to keep his insurance in force, may look forward serenely to the time "when the frost is on the pumpkin," because he will then be reaping the harvest. When he is older and has less capacity for work, these policies will be maturing, and the small amounts he has so easily paid each year will be returning to him in large sums. And all those years he has the comfort of knowing that neither drought nor freshet nor even death can rob his estate of the harvest which he planted.

His autumn and winter will not be cold and cheerless, for the gigantic granaries and storehouses of the insurance company are keeping in absolute safety the treasures which belong to him and which will comfort his declining years. There is no winter of discontent in the life of the man who carries sufficient insurance.—Mutual Interests.

TAXING LIFE INSURANCE.

Suppose a man dies and leaves his family without means. Friends subscribe to relieve this waut. What government would think of depleting this fund by a tax before it is paid over, though government could rightly tax resulting property in the hands of the beneficiaries. The only essential difference between the case above and mutual life insurance is that in the latter the subscriptions are made before the need occurs, in pro rata share according to risk, thus eliminating charity, and not one family only but all the families will be provided for. Officials of a mutual life insurance company are in effect the circulators of the subscription, collectors and administrators of the fund. They have no remuneration except their salaries for services. There is no "company" except the policyholders as a body. Yet to-day of every dollar thus contributed by policyholders some State governments confiscate two per cent or more, amounting to millions of dollars annually. It is sometimes said that since one man must pay taxes on his house, another who puts money into life insurance should be taxed on that. The likeness does not hold in fact, since the house is producing rent. The insurance, on the other hand, looks to the future, is not now a producer of income, and may never remunerate the policyholder himself one penny. Proceeds of the policy, when paid, become productive, and whatever form of property they take then is properly taxable. A tax on life insurance premiums or accumulations beyond what is necessary to provide for supervision by the State is wrong. If the public could see the matter as clearly as they could understand confiscation of part of a local co-operation for similar purposes the most of such tax laws would be swept aside.—Fidelity Mutual's Bulletin.

THE LINE OF LEAST RESISTANCE.

The best list of prospects is a body of well satisfied policyholders.

The familiarity that breeds contempt is prevalent in every business. We are continually turning away from the old things in order to go prospecting among the new, leaving the old to take care of themselves and thereby missing many opportunities already in themselves half achieved.

The mining men have waked to the knowledge while working strenuously on a new output from the mine that the old refuse heaps now contain valuable ore. At the time these scrap heaps were made it did not pay to re-sort them, but new and cheaper processes of reduction have come in and it pays now.

What has this to do with life insurance? Just this. That a very large number of men with whom you have placed life insurance took all they could afford at the time you first interviewed them. These men have grown. Their needs have changed. Their means have developed. Certainly the events of the last few years have not weakened the confidence of these men in the company in which you placed them. If you don't solicit them for increased insurance other men will. Solicit them and you will find that there will be many among these men who can be easily written for new insurance. They know the company because they are already insured in it; they have suffered no disappointments in its contracts and heard no doubts raised as to its methods. It is human nature to seek the point of least resistance.

Canvass among new men diligently and faithfully, but don't pass by the old as if nothing remained, or you may lose many an opportunity ready to your hand.—Travelers Bulletin.

LITTLE HELPERS.

Every business but ours is supposed to have its dark days. You know the truth of this, but it does no good to admit your difficulties.

The world likes the cheerful man who seems to have everything his own way.

There are scores of men envious of some qualities or advantages you possess, which they feel if they had would be put to better use.

Do not imagine your competitor is having an easier time than you because he appears happy and prosperous. He may be striving to hide from you his own misgivings.

Some life insurance agents are a good deal like the men they try to insure: All they want is some imaginary excuse to convince themselves they cannot write business when they embrace it with outstretched arms.

There is none so useful but that another can fill his place. Hundreds would be glad of your opportunities, coupled with your knowledge of our business. Did you ever stop to think of that?

Sell a man insurance because he needs it; not because you want the commission. I mean by this: get the idea correctly in your head that your argument must be to convince him he wants the policy you have to sell. To do this forcefully, you must first be convinced in your own mind.

Do not go about with a chip on your shoulder. If a man makes an inquiry pertinent to the times, and means what he says, he is entitled to a logical answer. With your knowledge you may think the question foolish, but he is presumably not so well informed.

Remember, to many men all companies are alike. They ought to know better, but they do not. Some man will recall that some assesment company has failed in which he was once insured, consequently to him your company may be unsafe.—Bruce Whitney.

BUSINESS IN FOREIGN COUNTRIES.

Showing the business of four American companies in countries outside the United States and Canada for the year 1906.

COUNTRY.	Equitable.			Mutual.			New York Life.			Germania.			Totals.		
	No. of Policies in Force.	Amount of Insurance in Force.	Premium Receipts in 1906.	No. of Policies in Force.	Amount of Insurance in Force.	Premium Receipts in 1906.	No. of Policies in Force.	Amount of Insurance in Force.	Premium Receipts in 1906.	No. of Policies in Force.	Amount of Insurance in Force.	Premium Receipts in 1906.	No. of Policies in Force.	Amount of Insurance in Force.	Premium Receipts in 1906.
		$	$		$	$		$	$		$	$		$	$
Europe	60,194	167,617,635	6,861,325	94,760	222,038,688	8,702,267	139 490	365,122,228	16,686,641	33,047	48,634,537	2,187,784	327,491	803,413,088	34,438,017
Asia..............	2,686	7,686,861	284,343	1,530	2,068,547	98,009	25,229	27,235,730	1,450,013	....	....	....	29,445	36,991,138	1,832,365
Africa............	6,080	18,107,892	676,763	5,439	16,732,596	659,897	4,227	11,471,286	505,549	....	....	....	15,746	46 311,774	1,842,209
Australasia	14,581	26,277,096	876,181	5,465	11,656,347	423,187	8,284	15,500,062	624,080	....	....	....	28,330	53,433,505	1,923,448
South America ...	8,273	44,502,673	1,541,559	.....	....	....	14,184	39,697,523	1,857,181	....	....	....	22,457	84,200,196	3,398,740
Central America..	793	2,914,499	53,884	.....	....	....	790	2,293,524	101,579	....	....	....	1,583	5,208,023	155,463
West Indies......	2,121	8,128,642	295,624	1,344	3,379,337	204,135	4,785	10,547,907	705,420	....	....	....	8,250	22,055 886	1,205,179
Mexico...........	2,514	8,283,813	220,597	9,350	18,726,215	990,415	6,413	15,918,317	822,504	714	2,983,671	159,876	18,991	45,912,016	2,193,392
Other countries and islands.....	1,435	4,663,396	181,857	.....	....	....	2,322	7,216,999	319,534	....	....	....	3,757	11,880,395	501,391
*Totals, 1906.....	98,677	288,182,507	10,992,133	117 888	274,601,730	11 077,910	205 724	495,003,576	23,072,501	33,761	51,618,208	2,347,660	456,050	1109,406,021	47,490,204
*1905...........	105,681	310,734,187	12,251,755	122 037	289,792,263	11 968,462	201 645	494,383,349	22,765,641	33,002	49,215,485	2,209,880	462,365	1144,125,284	49,195,838
*1904...........	105,214	314,155,248	13,022,160	113 991	271,813,834	11 165,278	181 687	454,372,593	20,737,803	32,087	46,958,488	2,124,699	432,979	1087,300,163	47,049,940
*1903...........	103 683	315,925,572	12,957,290	104 591	254,494,390	10 579,696	158 451	409,635,830	18 490,995	30,830	44,773,726	1,951,542	397,555	1024,829,518	43,979,523
*1902	97,780	302,631,359	12,201,907	94,369	224,331,416	9,581,291	129 375	347,501,413	10,225,504	29,847	42,181,009	1,784,371	351,371	916,645,197	39,793,073
*1901	91,910	286,250,485	11,156,457	84,643	202,475,896	8,675,491	109 345	304,048,412	14,207,470	29,324	40,949,654	1,700,172	315,222	833,724,447	35,739,590
1900.........	86,964	275,878,296	10,571,689	74,969	181,729,271	7,920,573	98,891	285,161,655	12,813,382	28,326	39,204,292	1,654,739	289,250	781,973,514	32,960,383
1899	82,845	267,047,747	10,199,654	66,612	162,625,185	7,120,167	83,050	253,840,670	11,715,407	28,052	38,407,949	1,615,157	260,559	721,921,551	30,650,385
1898	79,864	261,722,707	9,893,506	58,158	144,590,410	6,515,658	68,602	231,376,545	10,735,688	27,151	36,785,518	1,581,966	233,775	674,475,180	28,726,818
1897	77,708	261,442,149	9,490,240	50,521	128,917,670	5,853,598	64,861	225,146,582	10,462,751	26,302	35,449,037	1,505,237	219,392	650,955,438	27,311,826
1896	75,696	258,406,304	9,179,933	44,513	118,565,437	5,528,871	63,616	227,306,174	10,530,361	25,506	34,200,011	1,453,762	209,331	638,477,926	26,689,927
1895	75,427	261,597,161	9,705,427	40,399	111,692,607	4,899,266	59,697	233,720,641	10,965,201	24,754	32,732,574	1,412,113	200,277	639,742,983	26,982,007
1894	74,098	260,631,010	9,215,370	33,953	96,605,557	4,418,235	59,511	237,487,923	11,073,554	23,951	31,697,430	1,377,819	191,513	626,421,920	26,084,978
1893	70,651	252,878,247	9,945,685	27,742	84,814,129	3,642,757	53,508	221,713,171	10,179,850	22,760	30,591,081	1,316,541	174,661	589,996,628	25,084,833
1892	64,593	239,311,894	9,526,473	19 506	61,349,565	2,784,271	54,403	211,334,680	8,987,289	21,604	28,908,915	1,247,319	160,106	540,905,054	22,545,353
1891	61,061	235,158,107	9,533,436	14,318	47,450,264	2,192,273	44,870	185,829,365	8,640,818	20,200	26,844,820	1,180,958	140,449	495,272,556	21,547,485
1890	54,109	215,979,331	8,639,173	8,841	33,091,053	1,435,586	40,625	172,351,422	8,008,174	18,835	24,813,076	1,019,415	122,310	446,234,882	19,102,348
1889	47,843	192,866 753	7,714,670	5,484	21,385,092	922,035	35,148	148,028,361	6,914,507	16,760	22,013,568	948,474	105,235	384,293,774	16,499,686

* Policv claims paid in foreign countries in 1901, $15,527,164; 1902, $16,088,075; 1903, $19,317,076; 1904, $20,652,717; 1905, $22,216,356; 1906, $25,314,753.

THE SPECTATOR

A WEEKLY REVIEW OF INSURANCE.

FORTNIGHTLY LIFE INSURANCE SUPPLEMENT

Devoted to Life Insurance and the General Interests of Life Underwriting, Comments on Current Events, Suggestions and Hints for Field Workers, Technical Matters for Home Office Consideration, and Information as to What is Going On in Office and Field

ISSUED EVERY OTHER THURSDAY AS A SUPPLEMENT TO THE SPECTATOR.

New York, Thursday, September 12, 1907.

CREATING OBLIGATIONS.

[By a Western Agent.]

One of the most successful solicitors that I know always bases his arguments upon what he calls a strictly business principle It would be utterly impossible for him to ask for an application for friendship's sake, or because he needed it, or to half joke a prospect into insuring his life. He believes, at least he does when he reaches the climax of an interview, that life insurance is not only the most in-indispensable, but the most wonderful thing that anyone can buy.

Any man can do almost anything with it. "See what it will do for you," he will exclaim in the warmth of his enthusiasm. And then he will recite a long list of ideal emergencies, start young men into professions, set older men up in business, save others from bankruptcy, and build brown-stone mansions for luxurious old age. While he is in this exalted mood and is pouring forth his eloquence, prospects believe in him and are persuaded by him, and so in his case, the strictly business principle is legitimate. But as a matter of fact these virtues of life insurance are exaggerated, to say the least about them. Life insurance will not do anything for any man, and I know it. I am as thoroughly convinced of the actual value of the goods we sell as anyone, but I know something about the average man, and I know that he is incapable of making life insurance the pivot of his fortune. It is said that John B. Stetson began to take out life insurance at a very early age, eighteen or twenty, I think. He at first applied for $1000, and each year he repeated his application. At the end of twenty years a policy matured for him each year. He succeeded wonderfully in business, and he always spoke of life insurance as being the foundation of his fortune. I haven't thought about the matter now for some years, but when I used to quote his example so often Mr. Stetson then carried nearly $1,000,000 in life insurance.

John Wanamaker always had a peculiar fondness for life insurance, and the last statement I read about him credited him with $2,000,000. He was cited at one time as the most heavily insured man in the world. Just why Mr. Wanamaker became such a large insurer can only be explained on the ground that it peculiarly appealed to his temperament. He once wrote a short paper on the subject which has been published as the views of John Wanamaker, but these views seem to be about the same as those of any other intelligent man and do not disclose the secret. However, Mr. Wanamaker was a magnificent patron of insurance companies, and he and Mr. Stetson have done a great deal by their example to influence young men toward prudent courses. In the field with which I am familiar I know a number of business men who are following Mr. Stetson's plan of taking out $1000 each year, and some of them are almost ready to commence the maturing process. But the great masses of policyholders are not Stetson's or Wanamaker's, and they find but one or two or three uses for insurance. The usefulness of anything is limited by the powers of its possessor, and perceiving the limitations of the average policyholder as clearly as I do, and recalling how quickly he forgets all the splendid possibilities that are held out by the agent, I simply cannot talk to him from the alleged strictly business standpoint, and show him what wonderful purposes may be served by a policy.

The extraordinary solicitor is almost always something of a genius himself and is really capable of making the most of all of his resources, but he makes the mistake of supposing that every humdrum individual has his insight and dexterity, and for this reason his method, in its practical effect, is as far from being ideal or strictly business as that of the ordinary solicitor. If ideals could have a large place in a world that is so full of struggles and conflicting interests, the ideal way to solicit insurance would be to have a clear knowledge of the limitations of each individual and then demonstrate what a policy could do in such a case.

I have set down the preceding propositions because a critic sometimes raises the ethical issue when discussing methods of soliciting. He will say, in effect, is it not possible to put too much calculation into your pursuit of applications? I have replied in rebuttal that when one meets the rebuffs of the public through a long series of years, selling life insurance at least simply means overcoming an opponent, and I have suggested as a definition of soliciting the managing of human nature. I am not without conscience, as I have shown by the statement of my inability to suggest brown-stone mansions to the average prospect, and I do not pretend that I always consistently follow what I regard as my dearest principles, but I am inclined to think that any solicitor will fail whose scruples are too refined.

I am now about to say a few words about the practical value of conferring some kind of an obligation upon prospective policyholders, and I trust that what is to follow has been fully justied by what has preceded. When the average solicitor has settled down to the necessity of getting applications at frequent intervals, possibly for the remainder of his life, he finds that no set of arguments or appeals are effective, and that in each case he must obtain an application in the best way he can. As a policy I do not know of any one thing that is more conducive to the writing of applications than the policy of obligating men by small favors.

I have a conscientious, able and gentleman-like friend who is a great egotist. He loves to talk about himself and his exploits, and it is not possible to have any social relations with him unless he is permitted to do the talking. He has an insatiable appetite for praise, and when I call upon him, as I occasionally do, I listen to his narratives, select the really meritorious aspects of his character and pay him the expected tribute. When he did something exceptional upon one occasion and I was unable to visit him in person, I wrote him a complimentary letter and congratulated him upon his success. As a result this man is always delighted to see me, and when I need an application I know where to find one. I do not, of course, wish this last statement to be taken entirely without limitations.

I have another friend who smokes and I do not. In my various daily rounds I have many cigars offered to me and instead of taking time to explain that I do not smoke and exciting comment upon my peculiarity, I put the cigars into my pocket and afterward give them to my friend. This touches him more closely than might be supposed. It suggests to him that I keep him deliberately in mind, that I have a personal affection for him and it obligates him to forward my purposes when he can do so without too much tax upon himself. By these slight personal attentions I have not only ob-

tained his own application, but have received many valuable hints and suggestions from him.

A few years ago I manifested some slight interest in a charitable organization and made a small contribution to its support. In this instance I did it without calculation, but my interest was observed by one of the directors and it impressed him deeply. He cultivated my acquaintance somewhat, and even discussed the methods of his organization. One day he told me that he had always found it difficult to manage his own finances and he wanted his son to have better training than he had had. He thought the young man ought to have an endowment policy and urged me to present the subject to him. The young man needed no persuasion. He was willing to act upon his father's recommendation, and I wrote an application without having talked life insurance at all.

I have a casual acquaintance with a very successful merchant who has become a director in a kind of public service corporation. I called upon the merchant one day and asked him for some particulars concerning the enterprise and hinted that I might subscribe for some stock. Now this merchant stands high in his own community and is one of the largest influences in it, and yet he immediately solicited me to subscribe for my stock through him. He is an unpaid director in the corporation, will not directly profit by it in any way, and yet it interested him personally to be able to present my small subscription. This request illustrated to me very forcibly how easy it is to touch the personal element in men, and how frequently it can be made to serve a business purpose. I therefore make it a point to further any benevolence, public interest or local pride, and I find that my investments earn very satisfactory dividends. If a man is worth knowing at all he is worth some study, and I find it possible to bestow a favor or confer an obligation almost every day that comes back to me like bread cast upon the waters

I know a man who has been so parsimonious that he can hardly contribute a toothpick to a cause. He has accumulated some money by his scraping and hoarding, but he has never won any public honors or liberal fees, and in his old age he lives upon his income almost entirely without business or friends. It pays to confer favors and obligations, and the solicitor who finds it possible to do so should sow this kind of seed liberally. The harvest of applications will surely follow.

LIFE INSURANCE PAVES THE WAY TO PROSPERITY.

A man owes it to himself to lay by a part of his earnings for the future. The thought is old, but none the less important in the present day. Indeed, it is probably more necessary nowadays to be able to stand on one's own feet when mature manhood is reached, than it has been in any period of the past.

The agent of a large and well-known life company—indeed, one of the very best of the well-known companies—in a large Eastern city, says:

"We hear much of the oppression of capital upon the middle and poorer classes. Unquestionably, the leaders of industry are unheedful of the wrongs committed in the completion of their vast enterprises. They deal with big figures, sub-divide the work into contracts or leave the execution of their orders to subordinates and make no complaint, provided their ends are accomplished and adequate profits are computed. Little time they have, and less inclination, to inquire into the conditions under which their plans are perfected.

"So it is that the line between capital and the earners, in whatever capacity, are more clearly drawn. This means that in the near future the man without some substantial backing will find himself, to an extent, at the mercy of others, probably less capable but better off in this world's goods. There will always be a living for one possessing talent and knowing how to use it. But lacking the power of money for investment, even he will be materially handicapped in the race for a good livelihood and a little luxury on the side.

"Here," continued the agent, "is where the good life insurance man has some missionary work to do—work which will result in the building up of his business. Saving on a small salary is no easy task; but it is beyond dispute that many of the wealthiest men of to-day laid the foundations of their fortunes in the years of small incomes, by taking life insurance, thus acquiring the frugal qualities that stood them in good stead later in life. To the man with a small income it requires determination of the grimmest kind in the first stages; but without an inflexible purpose to accumulate against all odds the effort is vain.

"The agent can, by taking an interest in his clients, so gain their confidence that he becomes their financial adviser, and by his encouragement and suggestions show the way along the road to prosperity, thus developing a larger and secure business as the insured grows in prosperity. I have many such whose names are entered in my card index who began by taking a policy for $1000, and are now large and steady purchasers of life insurance—all through me."

LIFE INSURANCE TO PROTECT THE HOME.

Many well-meaning and perfectly sincere men, with an honest desire to get ahead and provide for their families against any contingency, think that they have accomplished their object and indulge in complacent satisfaction, when, really, they have only begun and are quite as far from the main result as they were in the first place.

One man purchases a home. He has $1000, which he pays down. He gives one mortgage for $6000 and a second for $3000.

"I'm going to pay them off in instalments," he says, "and then I'll have my home free and clear."

That is all very well if he lives and pays off the mortgages and then accumulates something besides. But supposing that he only succeeds in paying off the mortgages. He leaves to the widow the home, free and clear, perhaps; but she cannot eat or wear the home; so with only that she is in a desperate situation.

If the man had covered the mortgages by taking life insurance equal to their total, he would place himself in the sound position of providing for the payment of the mortgages even if he died without having completely discharged them.

At the same time he could take another policy for, say, $10,000, which guarantees the widow $650 a year to live on in the home which he saved to pay for, or which was paid for by other insurance. If the latter, nothing has been "eaten up" in interest——that is, it amounted to only about two per cent on the face of the mortgage against five or six per cent the other way. Thus many hundreds of dollars have been saved and the widow is left with a home and an income to live on.

THE SCHOOLS OF TUBERCULOSIS.

The question of tuberculosis among school children, to which health and school authorities in New York city are giving increased attention, is discussed at length by Dr. John H. Lowman of Cleveland, in the September magazine number of Charities and the Commons. Statistics and conclusions of a number of observers are quoted in support of the surprising statement that the mortality of the young has increased, and that especially is this so in those of school age. This is quite contrary to the common belief that tuberculosis is on the decrease among children, as well as among adults, and it may be due, as Dr. Lowman suggests, not to an increase in the disease itself, but rather to better methods for the early discovery of the disease. However, as it is stated that forty-four per cent of the children at one time examined in Paris and Cannes were found to be tuberculous, and as Dr. Lowman in his own children's clinic in Cleveland has found twenty per cent infected out of 500 examined, it is apparent that the whole subject needs much more attention than has as yet been given to it.

The transition of a child from a free, unrestrained life in the open air to the atmosphere of the usual school room has a bad general influence on health, it is stated, and this greatly adds to the danger of infection from tuberculosis. More fresh air in the school rooms, more time spent in the open air, increased teaching in hygiene, and elementary instruction in tuberculosis as a part of the curriculum are among the plans discussed for preventing the further spread of tuberculosis in the schools. As direct physical examination by especially trained physicians is the only way to detect those in the schools who have tuberculosis and are contagious to others, a thorough change in the present system of school inspection is said to be necessary. Upon the detection of disease on such examination it is proposed that the children so far affected shall be taught in special classes, just as it is common now to establish separate classes for other groups requiring special care.

In Italy, at Milan, specially constructed buildings with wide verandas have been projected by the authorities and are expected to prove of great advantage to the tuberculous who will be sent to them. Dr. Lowman urges that this scheme and other methods for systematically getting school children into the country should be taken up without further delay in this country.

The difficulties in the way of any such programme are evident. It would require the examination of thousands of children to detect a comparatively small number of sick children, and these examinations as is well known are difficult and slow. Another difficulty which it seems ought to be overcome at the start is the provision for the care of such children as are disclosed to be tuberculous and in need of sanatorium care.

ANNUAL AND DEFERRED DIVIDENDS.*

The presentation of annual and deferred dividends paid by life insurance companies in 1906, as required by the annual statements to the several insurance departments has created considerable interest among agents and policyholders. Some companies have been able to maintain the same dividend schedule for a number of years, while others have varied from time to time, so that a comparison of dividends for more than one year is valuable. Since the publication of the new work Annual and Deferred Dividends† a few months ago, The Spectator has been in correspondence with the life insurance companies regarding the dividends being paid in 1907 and presents the following tabulations, compiled from returns made direct by the companies.

The same explanation as given for the 1906 dividends applies to these tables, viz.: That they show the dividends paid in 1907 on policies issued in the years stated, and are not continuous records of any particular policy.

ÆTNA LIFE INSURANCE COMPANY.

Reserve Basis—American 3½% since 1900. Combined 4% prior

Annual Dividends Per $1000 Paid in 1907

Year Policy Was Issued.	Ordinary Life.				20-Payment Life.				20-Year Endowment.			
	Age at Issue.				Age at Issue.				Age at Issue.			
	25	35	45	55	25	35	45	55	25	35	45	55
Premium	19.99	26.21	36.74	55.14								
1877	6.04	7.77	9.56	11.14								
1878	5.88	7.59	9.37	10.96								
1879	5.73	7.40	9.18	10.77								
1880	5.57	7.22	8.99	10.58								
1881	5.41	7.03	8.79	10.39								
1882	5.26	6.85	8.59	10.19								
1883	5.11	6.66	8.39	9.98								
1884	4.96	6.48	8.19	9.78								
1885	4.82	6.30	7.98	9.56								
1886	4.68	6.12	7.77	9.34								
Premium					25.55	31.97	42.04	58.86	45.50	47.14	51.60	63.17
1887	4.54	5.94	7.56	9.12	5.28	6.85	8.69	10.54	12.36	12.42	12.56	12.83
1888	4.40	5.76	7.35	8.89	4.98	6.49	8.25	10.00	11.63	11.69	11.81	12.02
1889	4.27	5.59	7.14	8.65	4.70	6.14	7.83	9.50	10.95	11.00	11.11	11.30
1890	4.14	5.42	6.92	8.41	4.42	5.80	7.43	9.04	10.30	10.35	10.46	10.65
1891	4.02	5.25	6.71	8.17	4.15	5.48	7.04	8.60	9.67	9.73	9.84	10.05
1892	3.90	5.08	6.50	7.92	3.91	5.17	6.67	8.19	9.08	9.14	9.26	9.49
1893	3.78	4.92	6.28	7.67	3.67	4.87	6.31	7.79	8.52	8.58	8.72	8.97
1894	3.67	4.75	6.07	7.42	3.44	4.58	5.97	7.41	7.98	8.04	8.19	8.47
1895	3.56	4.60	5.86	7.16	3.22	4.30	5.64	7.04	7.46	7.53	7.70	8.00
1896	3.46	4.44	5.66	6.90	3.01	4.03	5.32	6.68	6.97	7.04	7.22	7.56
1897	3.36	4.28	5.45	6.64	2.81	3.77	5.00	6.32	6.50	6.58	6.77	7.12
1898	3.26	4.14	5.25	6.38	2.61	3.52	4.70	5.98	6.06	6.13	6.33	6.71
1899	3.16	3.99	5.05	6.11	2.43	3.28	4.41	5.64	5.63	5.70	5.91	6.30
1900	3.07	3.85	4.85	5.85	2.25	3.05	4.12	5.30	5.22	5.29	5.51	5.91
Premium	21.64	27.92	38.70	58.28	30.48	36.95	46.82	63.50	48.39	49.89	53.77	64.31
1901*												
1902												
1903												
1904												
1905												
1906	3.12	3.61	4.73	6.98	2.84	3.58	4.97	7.45	3.82	3.99	4.40	5.47

* Only five-year dividend policies were issued in the years 1901–1905 inclusive, the life policies maturing as endowments at age 85.

COLUMBIAN NATIONAL LIFE

Reserve Basis—American 3½%

Annual Dividends Per $1000 Paid in 1907

Year Policy Was Issued.	Ordinary Life.				20-Payment Life.				20-Year Endowment.			
	Age at Issue.				Age at Issue.				Age at Issue.			
	25	35	45	55	25	35	45	55	25	35	45	55
Premium	20.39	26.88	38.27	59.58	30.04	36.53	46.76	64.93	48.93	50.14	53.85	65.26
1902	3.60	4.12	5.50	9.71	3.65	4.15	5.47	9.56	3.78	4.21	5.43	9.44
1903	3.55	4.04	5.28	9.19	3.60	4.07	5.26	9.09	3.70	4.11	5.25	9.01
1904	3.51	3.96	5.08	8.71	3.55	3.98	5.08	8.65	3.62	4.02	5.07	8.60
1905	3.48	3.88	4.91	8.25	3.50	3.90	4.91	8.21	3.55	3.93	4.90	8.18
1906	3.44	3.81	4.74	7.81	3.45	3.82	4.75	7.79	3.48	3.84	4.75	7.78

†Published by The Spectator Company, 135 William street, New York. Price, $1.50 bound in flexible leather with extension covers.

CONNECTICUT GENERAL LIFE INSURANCE COMPANY

Reserve Basis—American 3½% since 1900. Combined 4% prior

Annual Dividends Per $1000 Paid in 1907

Year Policy Was Issued.	Ordinary Life.				20-Payment Life.				20-Year Endowment.			
	Age at Issue.				Age at Issue.				Age at Issue.			
	25	35	45	55	25	35	45	55	25	35	45	55
Premium	19.84	26.26	37.93	59.79								
1877	....	7.99	....	....								
1878	5.84	7.81	10.38	....								
1879	5.68	....	....	....								
1880	....	....	....	....								
1881	5.37	7.26	....	....								
1882	....	....	....	....								
1883	5.06	....	....	....								
1884	....	....	....	....								
1885	4.76	....	9.01	....								
1886	....	....	....	....								
Premium					27.31	34.06	44.58		47.07	49.54	55.54	
1887	....	....	....	....								
1888	....	5.98	....	....								
1889	....	....	....	....					8.94	....	....	
1890	....	....	....	....					8.61	....	11.07	
1891	3.94	....	....	....	....	7.36	....		....	9.01	....	
1892	....	5.29	....	....	....	....	....		....	....	....	
1893	....	....	....	....	5.33	....	....		....	8.39	....	
1894	3.58	....	....	10.56	....	6.42	....		....	....	....	
1895	....	....	6.90	....	....	6.13	....		....	7.84	....	
1896	....	4.64	....	....	4.43	5.60	....		....	7.35	9.13	
Premium	20.20		39.70		28.10	35.40	47.10		48.60	51.00		
1897	....	....	....	....	....	....	....		....	....	....	
1898	3.60	....	7.48	....	4.87	6.53	....		....	8.81	....	
1899	3.51	....	7.27	....	4.67	6.28	8.73		7.77	....	....	
1900	....	....	....	....	....	....	....		7.55	8.38	....	
Premium	19.63	25.88	36.86	57.37	28.18	34.50	44.58		47.28	49.13	53.79	66.66
1901*	....	....	6.88	....	4.32	5.80	8.15		7.35	8.18	....	
1902	....	4.00	5.78	8.90	3.66	4.70	6.40		5.18	5.88	7.14	
1903	2.89	3.87	5.58	....	3.48	4.47	6.11		4.80	5.49	6.75	
1904	2.80	3.74	5.38	....	3.30	4.28	5.83		4.43	5.12	6.38	8.88
1905	2.72	3.61	5.19	8.05	3.14	4.04	5.56		4.07	4.77	6.01	8.51
1906	....	....	....	....	....	....	....		....	....	....	....

* Reserve basis changed to 3½%.

CONNECTICUT MUTUAL LIFE INSURANCE COMPANY

Reserve Basis—American 3% since 1881. Combined 4% prior

Annual Dividends Per $1000 Paid in 1907

Year Policy Was Issued.	Ordinary Life.				20-Payment Life.				20-Year Endowment.			
	Age at Issue.				Age at Issue.				Age at Issue.			
	25	35	45	55	25	35	45	55	25	35	45	55
Premium	19.84	26.26	37.93	59.79								
1877	6.28	8.34	12.15	.....								
1878	6.20	8.21	12.00	18.95								
1879	6.11	8.08	11.84	.....								
1880	6.03	7.96	11.67	.....								
1881	5.96	7.84	11.51	.....								
Premium	20.14	26.35	37.08	56.93								
1882*	....	....	....	....								
1883	6.41	8.79	12.19	17.01								
1884	6.20	8.51	11.86	16.68								
1885	6.01	8.25	11.54	16.34								
1886	5.81	7.99	11.25	16.00								
Premium					29.98	35.82	44.82	60.79	49.21	50.36	53.88	64.71
1887	5.63	7.72	10.89	15.64	8.86	10.68	12.99	15.82	17.61	17.74	18.13	19.34
1888	5.44	7.46	10.56	15.28	8.45	10.20	12.45	15.31	16.80	16.95	17.39	18.74
1889	5.26	7.21	10.23	14.91	8.06	9.73	11.93	14.81	16.02	16.19	16.66	18.15
1890	5.09	6.96	9.90	14.53	7.68	9.28	11.41	14.30	15.28	15.45	15.96	17.56
1891	4.92	6.72	9.58	14.13	7.32	8.84	10.91	13.78	14.56	14.73	15.28	16.97
1892	4.75	6.47	9.25	13.73	6.96	8.41	10.42	13.27	13.87	14.04	14.63	16.38
1893	4.60	6.24	8.94	13.34	6.62	8.00	9.94	12.76	13.19	13.38	13.98	15.79
1894	4.44	6.01	8.62	12.92	6.29	7.59	9.46	12.24	12.54	12.74	13.36	15.21
1895	4.29	5.79	8.30	12.51	5.98	7.20	9.00	11.73	11.92	12.12	12.75	14.64
1896	4.15	5.58	7.99	12.10	5.66	6.83	8.55	11.22	11.32	11.52	12.16	14.08
1897	4.01	5.36	7.68	11.68	5.37	6.46	8.11	10.72	10.74	10.94	11.58	13.51
1898	3.87	5.16	7.38	11.26	5.09	6.12	7.67	10.22	10.19	10.39	11.03	12.96
1899	3.74	4.96	7.08	10.85	4.80	5.77	7.25	9.72	9.65	9.85	10.49	12.40
1900	3.61	4.77	6.79	10.43	4.54	5.45	6.83	9.22	9.13	9.33	9.96	11.86
1901	3.48	4.59	6.50	10.02	4.28	5.12	6.44	8.74	8.63	8.83	9.44	11.33
1902	3.36	4.35	6.11	9.56	3.86	4.59	5.80	8.12	7.90	8.13	8.81	10.92
1903	3.25	4.12	5.70	9.04	3.45	4.08	5.15	7.46	7.22	7.46	8.18	10.48
1904	3.14	3.89	5.30	8.46	3.08	3.57	4.52	6.75	6.56	6.83	7.59	10.00
1905	3.04	3.65	4.88	7.83	2.70	3.09	3.88	6.01	5.95	6.23	6.99	9.51
1906	2.93	3.43	4.46	7.16	2.34	2.62	3.26	5.22	5.37	5.66	6.43	8.96

* Reserve basis changed to 3%.

DES MOINES LIFE INSURANCE COMPANY

Reserve Basis—American 4%

Annual Dividends Per $1000 Paid in 1907

Year Policy Was Issued.	Ordinary Life.				20-Payment Life.				20-Year Endowment.			
	Age at Issue.				Age at Issue.				Age at Issue.			
	25	35	45	55	25	35	45	55	25	35	45	55
Premium	20.27	27.16	39.12	58.92	28.54	34.50	44.01	60.09	47.20	48.74	53.06	64.27
1900	4.40	5.60	8.50	14.60	5.10	6.50	9.10	14.80	7.10	7.80	9.80	15.00
1901	4.20	5.30	7.90	13.60	4.80	6.00	8.40	13.80	6.40	7.10	9.00	14.00
1902	4.00	5.00	7.30	12.60	4.50	5.50	7.70	12.80	5.80	6.50	8.20	12.90
1903	3.80	4.70	6.70	11.70	4.20	5.10	7.00	11.80	5.10	5.80	7.40	11.90
1904	3.60	4.40	6.10	10.80	3.90	4.70	6.30	10.90	4.40	5.10	6.60	11.00
Premium	20.67	27.70	40.10	62.40	28.63	35.71	47.01	66.13	48.81	50.56	55.49	68.82
1905	4.40	5.20	6.60	10.90	4.50	5.30	6.70	10.90	4.80	5.50	6.90	11.10
1906	....	....	....	....	....	....	....	....	....	....	....	....

EQUITABLE LIFE INSURANCE COMPANY OF IOWA.

Reserve Basis—Combined 4%

Annual Dividends Per $1000 Paid in 1907

Year Policy Was Issued.	Ordinary Life.				20-Payment Life.				20-Year Endowment.			
	Age at Issue.				Age at Issue.				Age at Issue.			
	25	35	45	55	25	35	45	55	25	35	45	55
Premium	19.89	26.87	38.04	58.53								
1877	7.80	10.54	14.93	22.97								
1878	7.60	10.27	14.55	22.38								
1879	7.50	10.14	14.36	22.09								
1880	7.30	9.87	13.97	21.50								
1881	7.11	9.60	13.59	20.92								
1882	6.91	9.33	13.21	20.33								
1883	6.71	9.06	12.83	19.75								
1884	6.51	8.79	12.45	19.16								
1885	6.31	8.53	12.07	18.58								
1886	6.21	8.39	11.88	18.29								
Premium					26.67	33.61	42.42	59.08	43.34	46.24	51.85	68.11
1887	6.01	8.12	11.50	17.70	6.93	8.73	11.02	15.36	9.53	10.17	11.40	14.98
1888	5.86	7.92	11.22	17.26	6.93	8.73	11.02	15.36	9.53	10.17	11.40	14.98
1889	5.66	7.65	10.84	16.68	6.66	8.40	10.60	14.77	9.10	9.71	10.88	14.30
1890	5.56	7.52	10.65	16.38	6.40	8.06	10.18	14.17	8.66	9.24	10.37	13.62
1891	5.51	7.45	10.55	16.24	6.20	7.81	9.86	13.73	8.23	8.78	9.85	12.94
1892	5.42	7.32	10.36	15.94	6.06	7.64	9.65	13.44	8.01	8.55	9.59	12.60
1893	5.32	7.18	10.17	15.65	5.93	7.47	9.43	13.15	7.80	8.32	9.33	12.25
1894	5.17	6.98	9.89	15.21	5.86	7.39	9.33	12.99	7.58	8.09	9.07	11.91
1895	4.97	6.71	9.51	14.63	5.60	7.05	8.90	12.40	7.36	7.86	8.81	11.57
1896	4.87	6.58	9.31	14.33	5.46	6.89	8.69	12.11	7.15	7.62	8.55	11.23
1897	4.77	6.44	9.12	14.04	5.26	6.63	8.37	11.66	6.73	7.16	8.03	10.55
1898	4.57	6.18	8.74	13.46	5.00	6.30	7.95	11.07	6.50	6.93	7.77	10.21
Premium	19.63	26.49	38.47	60.04	27.09	33.95	45.03	64.01	46.35	48.50	54.42	68.69
1899	4.31	5.82	8.46	13.20	4.87	5.82	8.10	11.52	6.72	7.03	7.89	9.96
1900	4.12	5.56	8.07	12.60	4.60	5.77	7.65	10.88	6.60	6.91	7.75	9.78
1901	3.92	5.29	7.69	12.00	4.33	5.43	7.20	10.34	6.48	6.79	7.63	9.61
1902	3.82	5.16	7.50	11.70	4.19	5.26	6.97	9.92	6.25	6.54	7.34	9.27
1903	3.72	5.03	7.30	11.40	4.06	5.09	6.75	9.60	6.02	6.30	7.07	8.92
1904	3.63	4.90	7.11	11.10	3.92	4.92	6.52	9.28	5.79	6.06	6.80	8.58
1905	3.53	4.76	6.92	10.80	3.79	4.75	6.30	8.96	5.56	5.82	6.53	8.24
1906	....	....	....	....	....	....	....	....	....	....	....	....

FIDELITY MUTUAL LIFE INSURANCE COMPANY

Reserve Basis—Combined 3½% on Life Plans. Combined 3% on Endowments

Annual Dividends Per $1000 Paid in 1907

Year Policy Was Issued.	Ordinary Life.				20-Payment Life.				20-Year Endowment.			
	Age at Issue.				Age at Issue.				Age at Issue.			
	25	35	45	55	25	35	45	55	25	35	45	55
Premium	20.70	27.08	38.12	58.32	29.78	35.68	45.28	62.88	50.53	52.47	57.32	70.49
1899	4.36	5.72	7.64	10.92	4.12	4.92	6.28	8.72	8.28	8.60	9.40	11.52
1900	4.36	5.72	7.64	10.92	4.12	4.92	6.28	8.72	8.28	8.60	9.40	11.52
1901	4.24	5.56	7.40	10.56	3.92	4.68	5.96	8.28	7.92	8.24	9.00	11.04
1902	4.12	5.40	7.16	10.20	3.72	4.44	5.64	7.84	7.56	7.88	8.60	10.56

First dividend paid five years from date of issue.

JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY

Reserve Basis—American 3½% since 1900. Combined 4% prior

Annual Dividends Per $1000 Paid in 1907

Year Policy Was Issued.	Ordinary Life.				20-Payment Life.				20-Year Endowment.			
	Age at Issue.				Age at Issue.				Age at Issue.			
	25	35	45	55	25	35	45	55	25	35	45	55
Premium	21.14	27.63	39.02	60.33	30.05	36.62	47.09	65.81	49.98	51.88	56.70	70.02
1901*	3.40	4.50	6.30	9.55	4.55	5.70	7.35	10.30	7.15	7.60	8.60	10.80
1902	3.30	4.40	6.15	9.30	4.40	5.50	7.10	9.95	6.85	7.30	8.30	10.50
1903	3.25	4.30	6.00	9.10	4.25	5.30	6.85	9.70	6.55	7.00	8.00	10.20
1904	3.20	4.20	5.85	8.90	4.10	5.10	6.65	9.45	6.20	6.65	7.60	9.80
1905	3.15	4.10	5.70	8.70	4.00	4.95	6.45	9.20	5.95	6.40	7.35	9.55
1906	3.10	4.00	5.55	8.50	3.90	4.85	6.30	9.00	5.75	6.20	7.20	9.40
	Age at Issue.				Age at Issue.				Age at Issue.			
	30	40	50	60	30	40	50	60	30	40	50	60
Premium	23.96	32.48	47.99	77.47	32.98	41.18	54.98	81.09	50.74	53.69	61.75	
1901*	3.90	5.30	7.70	12.00	5.05	6.40	8.60	12.55	7.35	8.00	9.50	
1902	3.80	5.15	7.50	11.75	4.90	6.15	8.35	12.20	7.05	7.70	9.20	
1903	3.70	5.00	7.30	11.50	4.75	5.95	8.10	11.90	6.75	7.40	8.85	
1904	3.60	4.85	7.10	11.40	4.60	5.75	7.80	11.60	6.40	7.05	8.50	
1905	3.55	4.75	6.95	11.10	4.45	5.60	7.60	11.35	6.15	6.80	8.25	
1906	3.50	4.65	6.80	10.80	4.35	5.45	7.45	11.15	5.95	6.60	8.05	

* Reserve basis changed to 3½%.

MUTUAL BENEFIT LIFE INSURANCE COMPANY

Reserve Basis—American 3% since 1899. Combined 4% prior

Annual Dividends Per $1000 Paid in 1907

Year Policy Was Issued.	Ordinary Life.				20-Payment Life.				20-Year Endowment.			
	Age at Issue.				Age at Issue.				Age at Issue.			
	25	35	45	55	25	35	45	55	25	35	45	55
Premium	20.14	26.35	37.08	56.93	30.12	36.22	45.73	62.68	48.15	49.85	54.22	66.36
1900*	3.09	4.09	5.86	9.12	4.20	5.19	6.79	9.69	6.20	6.68	7.71	10.06
1901	2.92	3.83	5.44	8.49	3.83	4.73	6.21	8.96	5.49	5.97	6.97	9.28
1902	2.75	3.56	5.03	7.87	3.47	4.29	5.64	8.26	4.80	5.27	6.24	8.50
1903	2.58	3.31	4.63	7.27	3.13	3.85	5.10	7.54	4.14	4.60	5.54	7.74
1904	2.41	3.06	4.24	6.66	2.79	3.44	4.56	6.85	3.49	3.95	4.88	6.99
1905	2.25	2.82	3.86	6.06	2.47	3.04	4.04	6.17	2.88	3.33	4.22	6.25
1906	2.10	2.58	3.48	5.47	2.16	2.65	3.54	5.49	2.28	2.73	3.59	5.52
	Age at Issue.				Age at Issue.				Age at Issue.			
	30	40	50	60	30	40	50	60	30	40	50	60
Premium	22.85	30.94	45.45	72.83	32.87	40.38	52.87	76.60	48.83	51.48	58.81	78.48
1900*	3.53	4.84	7.23	11.68	4.63	5.88	8.02	12.04	6.39	7.09	8.64	12.20
1901	3.30	4.50	6.72	10.94	4.22	5.36	7.37	11.24	5.68	6.36	7.89	11.38
1902	3.09	4.17	6.22	10.20	3.83	4.86	6.74	10.44	5.00	5.67	7.15	10.55
1903	2.88	3.85	5.71	9.46	3.44	4.38	6.12	9.65	4.33	4.99	6.42	9.73
1904	2.68	3.55	5.22	8.73	3.07	3.92	5.50	8.85	3.69	4.33	5.72	8.92
1905	2.49	3.25	4.74	7.99	2.71	3.46	4.90	8.07	3.07	3.70	5.02	8.10
1906	2.30	2.96	4.26	7.27	2.37	3.03	4.32	7.29	2.46	3.09	4.35	7.29

* Reserve basis changed to 3%.

PRESBYTERIAN MINISTERS FUND

Reserve Basis—American 3%

Annual Dividends Per $1000 Paid in 1907

Yeayr Polic Was Issued.	Ordinary Life.				20-Payment Life.				20-Year Endowment.			
	Age at Issue.				Age at Issue.				Age at Issue.			
	25	35	45	55	25	35	45	55	25	35	45	55
Premium	18.53	24.24	34.10	52.36	28.23	33.73	42.21	57.23	45.10	46.16	49.38	59.31
1903	4.51	5.17	6.71	11.36	4.77	5.41	6.90	11.42	5.28	5.76	7.07	11.41
1904	4.45	5.05	6.46	10.77	4.69	5.28	6.64	10.85	5.13	5.60	6.81	10.85
1905	....	....	....	....	....	....	....	....	....	....	....	....
1906	....	....	....	....	....	....	....	....	....	....	....	....

(To be Continued.)

THE SPECTATOR

A WEEKLY REVIEW OF INSURANCE.

FORTNIGHTLY LIFE INSURANCE SUPPLEMENT

Devoted to Life Insurance and the General Interests of Life Underwriting, Comments on Current Events, Suggestions and Hints for Field Workers, Technical Matters for Home Office Consideration, and Information as to What is Going On in Office and Field

ISSUED EVERY OTHER THURSDAY AS A SUPPLEMENT TO THE SPECTATOR.

New York, Thursday, September 26, 1907.

SOME VIEWS ON THE GENERAL SITUATION.

By a Western Agent.

During the present year it has not been difficult to detect a note of pessimism in the utterances of some of the prominent life insurance men. A visitor to the meeting of the National Association held at Toronto, reports that a rather gloomy spirit pervaded the proceedings, and instances a paper entitled "Is Life Insurance Doomed?" which was read and discussed. He came back with the impression that if it had been put to a vote, this rather melancholy question would have been answered in the affirmative. I need not multiply illustrations nor seek for further justification of the few observations I have made. The simple fact is, that some weeks ago I determined to make an inquiry or two myself as to general conditions so far as they might be reflected by the views of such field men as I could visit, and I am now ready with my report.

Of course I did not send out a list of questions to hundreds of managers and solicitors in different parts of the country. This plan is seldom satisfactory for the reason that mere statements about a situation do not throw much light upon it. Something must be known about the man who makes the statements. Some men are temperamentally optimistic, some are boasters, and some are plain liars. Others can make a wonderful showing with a very small capital of facts. For example, a high-flyer from the West informed me that his company is writing four millions a month. I could not venture to ask him what deductions should be made from his statement, but two or three days later I discussed it with a friend whose word I can trust, and he said: "That man asked me to write out an application and he would make me a present of a $5000 policy. I wonder if the four millions are being written on this plan." If I should send a list of questions to this four-million-a-month-company, I am sure that I should hear that never in the history of the world was such a time for writing life insurance as now, but how much would I be edified as to the workings of the Armstrong law? I am afraid that I should be none the wiser.

The truth of the matter is that the temperament of the agent, local conditions and the quality and quantity of competition enter so largely into every insurance problem that it would be difficult to get at what might be an exclusive effect of the Armstrong law, but after talking with ten or fifteen different field men and managers, and after having read a number of estimates of the situation, I have formed some conclusions, which, to say the least, can do no practical evil. But first, let us hear what a few of the various field men think of present conditions.

A. is working for a large, strong, company that has always kept its expenses within the provisions of the Armstrong law. Upon being asked about his personal business, he replied: "Between you and me, it is rotten. Of course I always put on a good front to people in general, but I don't mind saying to you, that I don't believe that I have ever found it so difficult to write an application as now." When asked to give his explanation of this, he thought it might be due to the fact that public confidence in life insurance has been shaken by exposures in certain local companies.

B. works for the same company as A., in the same field, but under a different manager. Last year he wrote about $150,000, and this year he reports that he has made a large gain each month and expects to write $200,000. He is delighted with himself, is satisfied with the general situation and has no complaints to make. I am in a position to know that his statements are reliable. Now is it not clear as day, that if two men working for the same company, in the same field and under identical laws, achieve such different results, it must be due to differences in the men? Is it not obvious that in those peculiar qualities which make up the solicitor B. is stronger than A? What conclusion can we reach then, except that it is largely the man and not the conditions which determine results?

C. represents a large Eastern company and is directly affected by the Armstrong law; but he has such a robust and buoyant temperament that he would not be discouraged if prospects literally kicked him out of their offices. No business in the world is like the insurance business, and no such company as his. He would put on a bold front if he were starving to death. This man reports that everything is lovely and the goose honks high. He quotes no figures and makes no comparisons, which is a trifle suspicious in spite of his brilliant generalizations, but he doubtless expresses his true feelings when he asserts that the situation does not look bad. Can we judge the workings of the Armstrong law by the statements of such an irrepressible Mark Tapley as C?

D. is a newly-appointed manager for a large Eastern company and also operates directly under the Armstrong laws. Naturally he must seem equal to his new responsibilities and must present an appearance of confidence. Of course he has no comparisons to make, no records to sustain or break and is complacent. He reports that his agency machinery is working smoothly and on full time. Nothing throws a blight over his spirits, and in all parts of the country the records show that his company will produce the $150,000,000 in new business which the Armstrong laws permit. So far as the world can see, this young man is determined in whatsoever state he is in, therewith to be content. How much are we enlightened as to the real situation by his optimism?

E. is a salaried manager for a large Eastern company and finds it difficult to work without money. He has been accustomed to pay high commissions, to make advances to agents and to accept as high as eighty per cent of first premiums in notes. His temperament compels him to work on a liberal scale, and under the Armstrong laws he is shorn of his power. Liberal commissions, advances to agents and notes for first premiums are all abolished, and, for the present, at least, he feels somewhat as a laboring man might feel who had lost his arms and legs. While neither hopeless nor despondent, E. is undoubtedly weakened, and his annual business will fall nearly seventy per cent. He does not regard the lack of confidence in life insurance as any factor in the case, but attributes the falling-off in his agency to the handicaps imposed by the Armstrong law. In his judgment, one of two things must happen: The Armstrong law must be modified so that his company will have capital to work with, or the company will be compelled to return to the general agency system so that the managers may write business on a renewal basis and so have an inducement to risk their own capital. As this manager is speaking largely from his individual needs and experiences, would it be fair to conclude that he has correctly estimated the general situation?

F. is an officer and personal writer for a young Western company.

He has taken a number of so-called conservative companies for his model and has impressed his friends that he organized a life insurance company with the highest motives in view. He is not trying to set a pace for anybody, and as yet limits his operations to one State. He is proceeding cautiously, but steadily, and is thoroughly satisfied with the progress of his company. An outsider, of course, always takes a risk in expressing an opinion, but I should say that this young man is meeting with about the same success that he did as a manager, and that he would never be prostrated by any supposed lack of confidence on the part of the public. In his company all is well, but what light does this throw upon the workings of the Armstrong laws? I could fill several pages with these interviews, but as my space is necessarily limited, I had better proceed to my conclusions.

First, it does not require much evidence to prove some propositions. Inasmuch as a small number of companies have made regular and normal gains in new business each year, notwithstanding the trouble in the Eastern companies, is it not clear that there has been no prevailing lack of public confidence, no general depression in the life insurance business? During the panic, which began in 1893, probably every company in the United States suffered, but if one large, national, company has shown an annual gain during the last five years, it certainly proves that there has been no panic about life insurance.

Some Eastern companies, and such Western companies as have been discredited by investigations, have uniformly suffered a loss in new business, which would seem to prove that the lack of confidence has extended to a particular company or companies.

If we reasoned no further, we should conclude that only those companies suffered that in some measure deserved to suffer, and that in general life insurance has not been more difficult to write than usual during the last three years, but this would be an error. A number of companies that have never been discredited have fallen behind in their annual writings, but this is probably due to the fact that thousands of agents read the newspapers too closely and were whipped out of their profession by the supposed disgrace which had fallen upon life insurance. I am perfectly willing to confess the limitations of my judgment, but I believe that no agents, say for such companies as the Mutual Benefit, the Connecticut Mutual and the Northwestern failed to write business in 1905 and 1906, except such as were shaken in their own faith. Why, even some agents of the discredited companies wrote more business in 1905 than they had written in any year before, which only goes to show that general conditions are never an absolute handicap.

The situation as it appears to me now is about like this: There is no general depression in the life insurance business. The agents of those companies that have always conducted their business within the provisions of the Armstrong law have no new conditions to face and are writing as much business as they would write if no new laws had been made. The agents of all companies, Eastern or Western, that have been discredited by investigations probably still feel a certain timidity in approaching the public, and will doubtless suffer some loss of business until all investigations are a thing of the past. In individual cases agents of discredited companies are probably breaking their own records.

In conformity to the Armstrong law a considerable number of companies have been compelled to reduce their first commissions from twenty to thirty per cent. Of course I cannot pretend to a wide acquaintance with commissions paid, but even if my figures are too large, it would not alter the principle of what I have said. When managers' salaries are reduced and agents' commissions are lowered, it goes without saying that they are dissatisfied and perhaps discouraged. No man in the world can take what looks to be a step backward without being temporarily depressed. A small loss ruins some men. It requires no wisdom to say that a great number of agents and managers are suffering from reduced incomes and other restrictions, and that they are pessimistic and lethargic. They feel that their business has gone to the bow-wows, and they are undoubtedly spending considerable energy in complaints that should properly be bestowed upon prospects. Their work is necessarily somewhat half-hearted, and they will be inclined to see something gloomy in the general situation; but if high commissions never return and these agents and managers do not despair completely, they will ultimately become reconciled to their hardships. They will begin to take notice that some of their competitors who have always received comparatively low commissions have made fortunes, and they will discover that there is still something to live for.

HINTS TO THOSE CONTEMPLATING SUICIDE.

If anyone is thinking of committing suicide, it will be worth his while to look up his life insurance policies to see what their provisions are in reference to this matter. All companies do not view alike the question of self-destruction, and some require that their policyholders either live, or die a natural death, in order to keep the contract in force. There are some whose policies permit suicide after a certain number of years. That, apparently, is the kind which the late George W. Delamater of Pittsburg had, to the value of about $95,000. He had been in the business and knew what and when and how about it. It is not a very good speculation to commit suicide just for the sake of making the life insurance company pay up, but those who are bound to die that way might as well take a time when their survivors can get the most out of it.

OUR GREAT MISSION.

Life insurance is a practical, plain, common sense plan of co-operation, in which men honestly assume one another's burdens. The individual who becomes a member of this great body of insured should realize that if he lives beyond the allotted time, a portion of the interest on his contributions is going to help those who are unfortunate enough to fall by the wayside in earlier life. But this co-operation is bound to strengthen all and to make all men who are members more independent than those whose homes are not sheltered by the protecting wings of the life insurance contract.

This is the mission of our great institutions for life insurance, which now hold in trust for this beneficence over two and one-half billions of the people's money, represented by nearly five million policyholders.

When the time shall come that all eligible men are enrolled in this vast army, which is contributing to bear the burdens of the unfortunate, the taxation of the State will be lightened, the homes of the country will be made happier and there will be a wider diffusion of education, intelligence and comfort in this great land.—Pittsburg Life Pusher.

ANNUAL AND DEFERRED DIVIDENDS.*

(Continued from THE SPECTATOR of September 12.)

The presentation of annual and deferred dividends paid by life insurance companies in 1906, as required by the annual statements to the several insurance departments has created considerable interest among agents and policyholders. Some companies have been able to maintain the same dividend schedule for a number of years, while others have varied from time to time, so that a comparison of dividends for more than one year is valuable. Since the publication of the new work Annual and Deferred Dividends† a few months ago, THE SPECTATOR has been in correspondence with the life insurance companies regarding the dividends being paid in 1907 and presents the following tabulations, compiled from returns made direct by the companies.

The same explanation as given for the 1906 dividends applies to these tables, viz.: That they show the dividends paid in 1907 on policies issued in the years stated, and are not continuous records of any particular policy.

TRAVELERS INSURANCE COMPANY

RESERVE BASIS—American 3%

ANNUAL DIVIDENDS PER $1000 PAID IN 1907

Year Policy Was Issued.	Ordinary Life.				20-Payment Life.				20-Year Endowment.			
	Age at Issue.				Age at Issue.				Age at Issue.			
	25	35	45	55	25	35	45	55	25	35	45	55
Premium	21.49	28.11	39.55	60.72	31.83	38.34	48.52	66.69	50.53	52.47	57.32	70.51
1903	3.95	5.01	6.97	11.01	4.73	5.85	7.64	11.20	6.10	6.78	8.55	12.06
1904	3.81	4.81	6.62	10.45	4.46	5.49	7.29	10.95	5.67	6.41	8.08	11.77
1905	3.65	4.58	6.25	9.83	4.16	5.12	6.77	10.25	5.09	5.83	7.45	11.01
1906	3.50	4.34	5.88	9.23	3.86	4.74	6.28	9.55	4.55	5.26	6.84	10.27
	Age at Issue				Age at Issue				Age at Issue			
	30	40	50	60	30	40	50	60	30	40	50	60
Premium	24 38	33.01	48.48	77.69	34.76	42.79	56.17	81.60	51.31	54.31	62.34	83.55
1903	4.41	5.84	8.63	14.45	5.20	6.58	9.19	14.55	6.52	7.54	10.06	15.47
1904	4.24	5.58	8.19	13.74	4.91	6.27	8.78	13.81	5.97	7.12	9.57	14.73
1905	4.05	5.28	7.71	12.96	4.57	5.84	8.17	12.99	5.39	6.52	8.88	13.89
1906	3.87	5.00	7.23	12.20	4.24	5.42	7.58	12.18	4.84	5.94	8.21	13.06

†Published by The Spectator Company, 135 William street, New York. Price, $1.50 bound in flexible leather with extension covers.

MUTUAL LIFE OF NEW YORK

RESERVE BASIS—American 3½% since 1897. Combined 4% prior

ANNUAL DIVIDENDS PER $1000 PAID IN 1907

Year Policy Was Issued.	Ordinary Life.				20-Payment Life.				20-Year Endowment.			
	Age at Issue.				Age at Issue.				Age at Issue.			
	25	35	45	55	25	35	45	55	25	35	45	55
Premium	21.34	27.88	39.36	60.82	30.25	36.87	47.42	66.30	50.18	52.13	57.03	70.51
1900	3.29	4.30	6.03	9.08	4.38	5.40	7.02	9.77	6.82	7.27	8.20	10.29
1901	3.12	4.06	5.69	8.58	4.11	5.07	6.59	9.20	6.34	6.78	7.67	9.68
1902	2.96	3.84	5.37	8.12	3.87	4.76	6.19	8.68	5.90	6.32	7.17	9.11
1903	2.81	3.64	5.08	7.69	3.64	4.47	5.82	8.20	5.48	5.89	6.72	8.59
1904	2.68	3.46	4.81	7.29	3.43	4.21	5.49	7.75	5.10	5.49	6.29	8.11
1905	2.56	3.29	4.57	6.93	3.24	3.98	5.18	7.34	4.75	5.14	5.91	7.66
1906	2.45	3.13	4.33	6.57	3.05	3.74	4.88	6.94	4.41	4.79	5.53	7.23
	Age at Issue.				Age at Issue.				Age at Issue.			
	30	40	50	60	30	40	50	60	30	40	50	60
Premium	24.18	32.76	48.39	78.09	33.20	41.46	55.38	81.71	50.96	53.98	62.15	83.87
1900	3.73	5.04	7.33	11.45	4.84	6.11	8.20	11.91	7.01	7.65	9.04	12.18
1901	3.53	4.76	6.92	10.84	4.54	5.73	7.71	11.25	6.53	7.14	8.47	11.50
1902	3.34	4.49	6.54	10.27	4.26	5.38	7.25	10.64	6.07	6.66	7.95	10.87
1903	3.17	4.25	6.18	9.74	4.01	5.06	6.83	10.08	5.65	6.22	7.46	10.28
1904	3.02	4.03	5.86	9.26	3.77	4.76	6.45	9.56	5.27	5.82	7.02	9 75
1905	2.88	3.83	5.56	8.81	3.56	4.49	6.09	9.09	4.91	5.45	6.61	9.25
1906	2.74	3.64	5.27	8.37	3.36	4.23	5.75	8.62	4.57	5.09	6.21	8.77

NEW ENGLAND MUTUAL LIFE INSURANCE COMPANY.

RESERVE BASIS—American 3½% since 1900. Combined 4% prior

ANNUAL DIVIDENDS PER $1000 PAID IN 1907

Year Policy Was Issued.	Ordinary Life.				20-Payment Life.				20-Year Endowment.			
	Age at Issue.				Age at Issue.				Age at Issue.			
	25	35	45	55	25	35	45	55	25	35	45	55
Premium	19.80	26.50	38.00	59.40								
1877	6.40	9.30	13.75	20.70								
1878	6.20	9.00	13.35	20.40								
1879	6.00	8.70	13.00	20.05								
1880	5.80	8.40	12.60	19.70								
1881	5.65	8.15	12.25	19.30								
1882	5.45	7.85	11.85	18.85								
1883	5.30	7.60	11.50	18.40								
1884												
1885												
Premium									46.75	48.50	53.35	66.05
1886												
1887									7.20	6.70	6.00	
1888									7.05	6.70	6.40	
1889									6.90	6.65	6.65	
1890									6.75	6.60	6.80	
1891									6.60	6.50	6.85	
1892									6.45	6.35	6.85	9.05
1893									6.30	6.20	6.80	9.15
1894									6.10	6.05	6.70	9.10
1895									5.95	5.90	6.60	9.00
Premium	20.20	27.30	39.70	61.90	28.10	35.40	47.10	67.20	48.60	51.00	57.00	71.70
1896	4.20	5.60	8.65	14.45	5.20	6.50	9.25	14.50	7.65	8.25	10.05	14.50
1897	4.00	5.25	8.10	13.55	4.90	6.10	8.70	13.65	7.15	7.70	9.45	13.70
1898	3.90	5.10	7.85	13.15	4.80	5.95	8.45	13.30	7.00	7.55	9.25	13.45
1899	3.85	5.00	7.60	12.70	4.75	5.85	8.25	12.95	6.85	7.40	9.05	13.15
1900	3.80	4.90	7.35	12.30	4.65	5.75	8.00	12.60	6.70	7.25	8.85	12.90
Premium	20.70	27.30	38.80	60.40	29.40	36.00	46.60	65.70	48.70	50.80	56.00	69.80
1901	3.65	4.60	6.40	10.55	4.25	5.10	6.80	10.75	5.40	6.00	7.45	10.90
1902	3.40	4.25	5.85	9.65	3.85	4.60	6.15	9.75	4.65	5.25	6.60	9.90
1903	3.30	4.10	5.60	9.15	3.70	4.40	5.85	9.30	4.35	4.95	6.20	9.40
1904	3.25	4.00	5.35	8.75	3.55	4.20	5.55	8.80	4.05	4.60	5.85	8.90
1905	3.15	3.85	5.15	8.30	3.40	4.00	5.25	8.35	3.75	4.30	5.50	8.45
1906	3.05	3.75	4.90	7.85	3.25	3.80	5.00	7.90	3.45	4.00	5.20	7.95

From 1884 to 1895, inclusive, this company's business was written on the endowment at age 75 plan.

PACIFIC MUTUAL LIFE INSURANCE COMPANY

RESERVE BASIS—American 3½% since 1900. Combined 4% prior

ANNUAL DIVIDENDS PER $1000 PAID IN 1907

Year Policy Was Issued.	Ordinary Life.				20-Payment Life.				20-Year Endowment.			
	Age at Issue.				Age at Issue.				Age at Issue.			
	25	35	45	55	25	35	45	55	25	35	45	55
Premium	19.89	26.38	37.97	59.91								
1877	5.30	7.10	9.65	13.65								
1878	5.25	7.00	9.55	13.55								
1879	5.15	6.90	9.45	13.45								
1880	5.05	6.80	9.35	13.35								
1881	5.00	6.70	9.25	13.25								
1882	4.90	6.60	9.15	13.10								
1883	4.85	6.55	9.05	13.00								
1884	4.75	6.45	8.95	12.90								
1885	4.70	6.35	8.80	12.80								
1886	4.65	6.25	8.70	12.65								
Premium					27.39	34.08	45.03	64.82	47.68	49.79	55.04	69.24
1887	4.55	6.15	8.60	12.55	7.20	9.00	11.20	17.35	....	....	....	....
1888	4.50	6.05	8.50	12.40	6.70	8.55	10.75	16.40	13.10	13.60	14.40	16.85
1889	4.45	6.00	8.40	12.30	6.60	8.15	10.35	15.55	12.40	12.90	13.70	16.10
1890	4.40	5.90	8.25	12.15	6.35	7.80	9.95	14.80	11.75	12.20	13.05	15.40
Premium	20.50	27.10	39.10	61.60	28.10	35.00	46.20	66.60				
1891	....	....	....	....	....	....	....	....	11.15	11.60	12.40	14.80
1892	4.30	5.75	8.05	11.90	5.85	7.20	9.15	13.45	10.55	11.00	11.85	14.25
1893	4.25	5.65	7.95	11.80	5.60	6.90	8.80	12.85	10.00	10.45	11.30	13.75
1894	4.05	5.15	7.25	11.35	5.35	6.60	8.45	12.30	9.45	9.90	10.75	13.25
Premium									48.70	50.90	56.40	71.10
1895	4.00	5.00	7.05	11.00	5.15	6.30	8.15	11.80	....	....	....	....
1896	3.85	4.85	6.85	10.65	4.95	6.05	7.85	11.30	8.45	8.90	9.80	12.30
1897	3.75	4.70	6.65	10.30	4.75	5.80	7.55	10.85	7.95	8.45	9.35	11.85
1898	3.65	4.55	6.45	9.95	4.55	5.55	7.25	10.40	7.50	8.00	8.90	11.45
1899	3.55	4.40	6.25	9.60	4.35	5.30	6.95	9.95	7.10	7.60	8.50	11.05
1900	3.45	4.30	6.05	9.25	4.15	5.05	6.65	9.50	6.70	7.20	8.10	10.65
1901	3.40	4.10	5.80	8.90	4.00	4.85	6.35	9.10	6.30	6.80	7.70	10.25
Premium	21.15	27.65	38.85	60.00	29.95	36.60	47.00	65.50	49.30	51.30	56.40	69.95
1902*	....	....	....	....	....	....	....	....	....	....	....	....
1903	3.15	3.90	5.55	8.05	4.70	5.65	7.30	10.85	4.80	5.75	7.75	12.10
1904	3.05	3.70	5.25	7.60	4.45	5.35	6.90	10.25	4.25	5.25	7.20	11.40
1905	2.85	3.40	4.15	5.60	4.60	5.50	7.05	10.60	3.80	4.75	6.65	10.70
1906	....	....	....	....	....	....	....	....	....	....	....	....

* Reserve basis changed to 3½%.

PRUDENTIAL INSURANCE COMPANY

RESERVE BASIS—American 3% since 1900. Combined 4% prior

ANNUAL DIVIDENDS PER $1000 PAID IN 1907

Year Policy Was Issued.	Ordinary Life.				20-Payment Life.				20-Year Endowment.			
	Age at Issue.				Age at Issue.				Age at Issue.			
	25	35	45	55	25	35	45	55	25	35	45	55
Premium	19.63	26.49	38.46	60.03	26.95	34.01	45.38	64.95	46.07	45.58	54.60	
1898	3.54	4.38	6.20	10.70	3.94	5.05	6.54	10.86	4.99	5.89	7.23	
1899	3.48	4.29	5.98	10.43	3.76	4.61	6.23	10.53	4.73	5.72	7.08	
1900	3.31	4.21	5.75	9.64	3.42	4.35	5.90	9.83	4.60	5.45	6.92	
Premium	21.27	27.83	39.16	60.11	30.66	36.95	46.78	64.32	45.19	51.22	56.22	
1901*	3.48	4.46	6.01	9.64	3.99	4.99	6.56	10.02	5.43	6.05	7.60	
1902	3.38	4.34	5.82	9.31	3.87	4.83	6.32	9.65	5.25	5.84	7.31	
1903	3.29	4.23	5.64	9.01	3.75	4.65	6.08	9.33	5.08	5.64	7.01	
1904	3.21	4.13	5.46	8.63	3.63	4.48	5.83	8.91	4.88	5.42	6.72	
1905	3.04	3.90	5.15	8.19	3.42	4.21	5.46	8.32	4.59	5.11	6.31	
1906	2.79	3.58	4.73	7.49	2.99	3.77	4.95	7.64	3.96	4.41	5.43	
	Age at Issue.				Age at Issue.				Age at Issue.			
–	30	40	50	60	30	40	50	60	30	40	50	60
Premium	22.63	31.57	47.70	76.74	30.12	38.92	53.82	80.16	47.11	50.87	60.39	
1898	3.93	5.12	8.02	14.55	4.45	5.64	8.18	14.76	5.39	6.37	8.91	
1899	3.85	4.95	7.81	14.26	4.13	5.24	7.96	14.32	5.15	6.23	8.76	
1900	3.69	4.86	7.19	13.27	3.84	5.04	7.36	13.48	4.97	6.09	8.39	
Premium	24.13	32.68	47.99	76.91	33.50	41.25	54.17	78.72	49.99	53.13	61.30	
1901*	3.91	5.14	7.10	13.41	4.43	5.69	7.60	13.82	5.67	6.73	9.10	
1902	3.80	4.99	6.85	12.98	4.29	5.50	7.30	13.55	5.48	6.49	8.74	
1903	3.70	4.85	6.61	12.61	4.14	5.29	7.02	12.98	5.30	6.25	8.37	
1904	3.61	4.72	6.35	12.03	4.00	5.08	6.71	12.37	5.09	6.00	8.02	
1905	3.41	4.46	6.00	11.46	3.76	4.77	6.25	11.57	4.79	5.64	7.53	
1906	3.14	4.09	5.50	10.50	3.33	4.31	5.63	10.62	4.14	4.87	6.44	

* Reserve basis changed to 3%.

NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

Reserve Basis—American 3% since 1898. Combined 4% prior

Annual Dividends Per $1000 Paid in 1907

Year Policy Was Issued.	Ordinary Life. Age at Issue.				20-Payment Life. Age at Issue.				20-Year Endowment. Age at Issue.			
	25	35	45	55	25	35	45	55	25	35	45	55
Premium....	19 63	26 49	38 .46	60 .04								
1877.........	7.15	10.42	15.66	23.57								
1878.........	6.97	10.14	15.32	23.39								
1879.........	6.79	9.88	14.98	22.98								
1880.........	6.62	9.62	14.65	22.65								
1881.........	6 46	9.37	14.31	22.29								
1882.........	6.30	9.12	13.97	21.91								
1883.........	6.15	8.89	13.63	21.52								
1884.........	6.00	8.67	13.30	21.11								
1885.........	5.86	8.45	12.96	20.70								
1886.........	5.72	8.24	12.63	20.30								
Premium......					26 95	34.01	45 38	64.95	46.07	48.58	54.60	69 15
1887.........	5.60	8.03	12.31	19.88	6.23	8.25	11.38	16.07	7.87	8.68	10.13	12.82
1888.........	5.49	7.83	11.90	19.47	6.10	8.10	11.32	16.53	7.69	8.63	10.42	14.03
1889.........	5.40	7.64	11.69	19.05	5.98	7.94	11.22	16.79	7.51	8.55	10.59	14.86
1890.........	5.32	7.45	11.38	18.63	5.87	7.78	11.08	16.89	7.33	8.44	10.67	15.41
1891.........	5.24	7.27	11.09	18.21	5.77	7.62	10.92	16.88	7.15	8.31	10.68	15.75
1892.........	5.16	7.09	10.81	17.79	5.67	7.45	10.74	16.78	6.98	8.16	10.63	15.93
1893.........	5.09	6.93	10.55	17.37	5.56	7.29	10.55	16.62	6.80	8.00	10.54	15.98
1894.........	5.02	6.76	10.29	16.95	5.46	7.13	10.35	16.40	6.63	7.83	10.42	15.93
1895.........	4.95	6.61	10.04	16.54	5.37	6.96	10.14	16.14	6.47	7.66	10.28	15.80
1896.........	4.88	6.46	9.79	16.13	5.27	6.80	9.93	15.85	6.30	7.48	10.11	15.62
1897.........	4.81	6.33	9.55	15.73	5.18	6.66	9.71	15.55	6.14	7.31	9.92	15.40
1898.........	4.75	6.21	9.32	15.34	5.09	6.52	9.50	15.23	5.98	7.14	9.73	15.15
Premium.....	21.35	27.93	39 31	60.34	31.33	37 80	47.95	66 10	49.36	51.43	56.44	69 78
1899*........	5.63	7.25	10.33	16.49	5.55	8.14	11.02	16.80	8.21	9.36	11.71	17.00
1900.........	5.47	7.01	9.92	15.83	6.24	7.75	10.50	16.11	7.63	8.78	11.09	16.28
1901.........	5.32	6.78	9.52	15.19	5.95	7.38	10.00	15.42	7.08	8.22	10.48	15.57
1902‡........	10.44	13.17	18.29	29.11	11.30	14.00	18.94	29.44	12.83	15.13	19.60	29.65
1903.........	5.12	6.40	8.79	13.92	5.36	6.62	8.96	14.01	5.77	6.93	9.14	14.06
1904.........	4.99	6.19	8.43	13.30	5.09	6.29	8.50	13.33	5.27	6.41	8.57	13.35
1905.........	4.85	5 98	8.09	12.69	4.83	5.96	8.05	12.67	4.78	5.91	8.02	12.65
1906.........	....	....	....	.....	....	....	....	.....	....	....	....	.....

* Reserve changed to 3%. ‡ Double dividend year.

PROVIDENT LIFE AND TRUST COMPANY

Reserve Basis—American 3½% since 1902. Combined 4% prior

Annual Dividends Per $1000 Paid in 1907

Year Policy Was Issued.	Ordinary Life. Age at Issue.				20-Payment Life.† Age at Issue.				20-Year Endowment. Age at Issue.			
	25	35	45	55	25	35	45	55	25	35	45	55
Premium....	9 80	26 50	38 00	59.40	26 75	33 28	43 46	61.84				
1877.........	8.46	12.38	18.45	27.28	7.85	10.35	13 36	16.10				
1878.........	8.16	11.96	17.96	26.81	7 64	10.06	13.06	15.89				
1879.........	7.89	11.54	17.37	26.29	7.43	9.79	12.74	15.64				
1880.........	7.61	11.13	16.86	25.74	7.23	9.52	12.43	15.39				
1881.........	7.34	10.75	16.34	25.14	7.04	9.25	12.14	15.11				
1882.........	7.08	10.36	15.80	24.51	6.86	9.00	11.84	14.83				
1883.........	6.83	10.00	15.28	23.91	6.68	8.76	11.54	14.55				
1884.........	6.58	9.64	14.74	23.25	6.50	8.53	11.24	14.24				
1885.........	6.35	9.29	14.21	22.62	6.34	8.30	10.94	13.93				
1886.........	6.14	8.96	13.70	21.98	6.18	8.07	10.64	13.66				
Premium....									44.82	46.70	51.45	64.65
1887.........	5.95	8.62	13.19	21.31	6.18	8.13	10.86	14.77	9.53	9.73	10.22	11.66
1888.........	5.78	8.29	12.70	20.68	5.94	7.79	10.59	14.97	9.06	9.41	10.25	12.58
1889.........	5.61	7.98	12.22	20.01	5.69	7.48	10.27	15.00	8.61	9.05	10.17	13.17
1890.........	5.48	7.68	11.76	19.33	5.46	7.14	9.93	14.84	8.18	8.68	9.98	13.45
1891.........	5.34	7.38	11.30	18.69	5.27	6.82	9.56	14.57	7.75	8.29	9.74	13.52
1892.........	5.20	7.11	10.86	18.06	5.02	6.49	9.19	14.24	7.34	7.90	9.46	13.44
1893.........	5.06	6.84	10.44	17.39	4.83	6.18	8.81	13.79	6.95	7.50	9.14	13.22
1894.........	4.94	6.57	10.02	16.73	4.62	5.87	8.42	13.33	6.55	7.11	8.74	12.91
1895.........	4.81	6.30	9.63	16.08	4.45	5.56	8.03	12.82	6.17	6.71	8.40	12.53
1896.........	4.69	6.08	9.22	15 44	4.26	5.27	7.63	12.28	5.81	6.33	8.01	12.09
1897.........	4.57	5.86	8.84	14.82	4.08	4.99	7.24	11.74	5.46	5.95	7.60	11.61
1898.........	4.44	5.67	8.46	14.21	3.88	4.77	6.85	11.19	5.10	5.60	7.20	11.08
1899.........	4.33	5.50	8.11	13.61	3.71	4.56	6.47	10.61	4.77	5.27	6.78	10.56
1900.........	4.22	5 34	7.75	13.03	3.54	4.33	6.10	10.05	4.46	4.95	6.37	10.02
1901.........	4.11	5 19	7.41	12.46	3.39	4.13	5.74	9 52	4.14	4.64	5.96	9.49
1902.........	4.01	5.04	7.08	11.92	3.23	3.91	5 38	8.98	3.83	4.34	5.56	8.96
1903*........	2.97	3.41	4.43	7.52	3.14	3.57	4.55	7.54	3.51	3.84	4.70	7.57
1904.........	2.89	3.27	4.18	6.98	3.00	3.38	4.26	7.00	3.24	3.56	4.35	7.03
1905.........	2.82	3.15	3.93	6.46	2.88	3.20	3.98	6.48	3.00	3.29	4.02	6.49
1906.........	....	....	....	....	....	....	....	....	....	....	....	....

* Reserve basis changed to 3½%. † Dividends prior to 1887 are on paid-up policies.

UNION CENTRAL LIFE INSURANCE COMPANY.

Reserve Basis—American 3½% since 1901. Combined 4% prior

Annual Dividends Per $1000 Paid in 1907

Year Policy Was Issued.	Ordinary Life. Age at Issue.				20-Payment Life.* Age at Issue.				20-Year Endowment. Age at Issue.			
	25	35	45	55	25	35	45	55	25	35	45	55
Premium.......	19.89	26.38	37,97	59.91	27.39	34.08	45.03	64.82	47.68	49.79	55.04	69.24
1876.........	9.32	14.10	21.78	33.85	7.50	10.03	13.15	15.89				
1877.........	9.01	13.62	21.19	33.36	7.29	9.75	12.84	15.69				
1878.........	8.67	13.16	20.60	32.81	7.08	9.46	12.53	15.45				
1879.........	8.35	12.68	20.02	32.24	6.87	9.18	12.22	15.21				
1880.........	8.07	12.25	19.43	31.62	6.69	8.92	11.90	14.95				
1881.........	7.79	11.82	18.84	30.95	6.50	8.66	11.59	14.65				
1882.........	7.52	11.39	18.24	30.28	6.32	8.41	11.28	14.36				
1883.........	7.25	11.00	17.69	29.58	6.15	8.17	10.96	14.06				
1884.........	6.99	10.63	17.09	28.89	5.98	7.95	10.66	13.75				
1885.........	6.76	10.24	16.52	28.19	5.83	7.71	10.34	13.45				
1886.........	6.53	9.87	15.95	27.46	8.18	10.91	15.09	21.76	13.13	13.62	14.47	17.09
1887.........	6.32	9.51	15.40	26.75	7.91	10.59	14.91	22.40	12.70	13.42	14.81	18.92
1888.........	6.13	9.17	14.97	26.01	7.66	10.26	14.68	22.73	12.29	13.14	14.97	20.13
1889.........	5.98	8.82	14.34	25.31	7.43	9.95	14.39	22.83	11.88	12.85	14.96	20.91
1890.........	5.83	8.50	13.81	24.57	7.22	9.61	14.03	22.73	11.47	12.51	14.85	21.35
1891.........	5.68	8.18	13.32	23.82	7.01	9.28	13.67	22.48	11.10	12.16	14.67	21.52
1892.........	5.53	7.90	12.84	23.12	6.80	8.95	13.29	22.12	10.70	11.80	14.42	21.50
1893.........	5.39	7.60	12.39	22.38	6.60	8.66	13.02	21.70	10.33	11.43	14.15	21.33
1894.........	5.28	7.31	11.93	21.64	6.40	8.35	12.53	21.21	9.95	11.04	13.80	21.05
1895.........	5.15	7.05	11.51	20.95	6.17	8.02	12.12	20.70	9.59	10.66	13.44	20.68
1896.........	5.02	6.81	11.08	20.24	5.99	7.74	11.69	20.15	9.24	10.29	13.06	20.23
1897.........	4.89	6.57	10.66	19.55	5.81	7.48	11.31	19.51	8.90	9.95	12,65	19.74
1898.........	4.57	6.12	9.87	18.29	5.63	7.23	10.89	18.96	8.57	9.59	12.25	19.21
1899.........	4.25	5.67	9.10	17.02	5.46	7.00	10.49	18.37	8.26	9.27	11.82	18.67
1900.........	3.94	5.23	8.36	15.78	5.02	6.45	9.66	17.10	7.93	8.97	11.41	18.11
1901.........	3.64	4.81	7.60	14.56	4.58	5.91	8.82	15.87	7.62	8.68	11.02	17.54
Premium....	20.63	26.88	37.85	58.37	29.17	35.50	45.58	63.62	48.28	50.12	54.79	67.66
1902.........	3.82	4.92	7.13	12.52	4.62	5.84	8.21	13.82	6.44	7.46	9.67	15.28
1903.........	3.49	4.45	6.38	11.23	4.10	5.17	7.30	12.45	5.52	6.50	8.58	13.85
1904.........	3.16	3.97	5.67	9.96	3.59	4.53	6.43	11.10	4.59	5.54	7.51	12.44
1905.........	2.85	3.52	4.96	8.71	3.10	3.89	5.56	9.76	3.70	4.60	6.46	11.02

* Dividends prior to 1887 are on paid-up policies.

WASHINGTON LIFE INSURANCE COMPANY

Reserve Basis—American 3½% since 1897. American 4%. 1881-1897. Comb. 4½% prior.

Annual Dividends Per $1000 Paid in 1907

Year Policy Was Issued.	Ordinary Life. Age at Issue.				20-Payment Life. Age at Issue.				20-Year Endowment. Age at Issue.			
	25	35	45	55	25	35	45	55	25	35	45	55
Premium.......	19.89	26 38	37.97	59.91								
1877.........	4.72	6.41	8.76	12.46								
1878.........	4.61	6.28	8.64	12.32								
1879.........	4.51	6.16	8.52	12.19								
1880.........	4.41	6.04	8.39	12.01								
1881.........	4.10	5.63	7.87	11.35								
1882.........	4.01	5.52	7.74	11.21								
1883.........	3.92	5.40	7.61	11.07								
1884.........	3.83	5.29	7.48	10.94								
1885.........	3.51	4.85	6.89	10.12								
1886.........	3.21	4.43	6.32	9.32								
Premium.......					27.39	34.08	45.03		47.68	49.79	55.04	
1887.........	2.69	3.71	5.31	7.89	4.01	5.11	6.70	9.12	10.12	10.60	11.55	13.65
1888.........	2.63	3.63	5.21	7.78	3.88	4 95	6.50	8.89	9.69	10.16	11.10	13.18
1889.........	2.57	3.55	5.11	7.67	3.76	4.79	6.31	8.67	6.96	7.31	8.02	9.57
Premium.......					28.10		46.20					
1890.........	2.10	2.90	4.18	6.30	3.03	3.87	5.11	7.05	5.55	5.85	6.44	7.73
1891.........	2.05	2.83	4.09	6.20	2.94	3.75	4.97	6.89	5.32	5.61	6.21	7.51
Premium.......		27.10										
1892.........	2.01	2.77	4.01	6.10	2.84	3.63	4.83	6.73	5.10	5.39	5.99	7.30
1893.........	1.97	2.71	3.93	6.00	2.76	3.52	4.70	6.58				
1894.........	1.93	2.65	3.85	5.90	2.67	3.42	4.57	6.44				
1895.........	1.89	2.59	3.77	5.80	2.59	3.31	4.44	6.30				
1896.........	1.85	2.53	3.69	5.70	2.52	3.21	4.32	6.16				
1897.........	1.82	2.48	3.61	5.60	2.44	3.12	4.20	6.02				
1898*........												
1899.........												
1900.........												
1901.........												
1902.........												
Premium.......	21 34	27 88	39.36	60 82	30,25	36.87	47.42	66.30	50.18	52.13	57.03	70.51
1903.........												
1904.........												
1905.........	1.41	1.81	2.51	3.81	1.78	2.19	2.85	4.04	2.62	2.83	3.25	4.22
1906.........	1.38	1.76	2.44	3.70	1.72	2.11	2.75	3.91	2.49	2.69	3.12	4.07

* Change made to 3½% basis.

THE SPECTATOR

A WEEKLY REVIEW OF INSURANCE.

FORTNIGHTLY LIFE INSURANCE SUPPLEMENT

Devoted to Life Insurance and the General Interests of Life Underwriting, Comments on Current Events, Suggestions and Hints for Field Workers, Technical Matters for Home Office Consideration, and Information as to What is Going On in Office and Field

ISSUED EVERY OTHER THURSDAY AS A SUPPLEMENT TO THE SPECTATOR.

New York, Thursday, October 10, 1907.

INSURANCE FOR MEN OF WEALTH.

The following article was written by Edward A. Woods, manager of the Pittsburg agency of the Equitable Life:

Such a business as we secured last month demonstrates that the time never was so opportune to interest men of large means in life insurance. It is my prediction that at no time in the history of life insurance will so many large lines of insurance be placed as within the next few years.

Most agents do not sell wealthy persons life insurance for adequate amounts, because they are too timid; or have not (or do not) secure access to such people, or do not understand their needs and methods of doing business. Unfortunately most life insurance agents have not sufficient familiarity with the condition of men of large wealth to properly appreciate their need of insurance.

It is popularly believed (a) that it is easier to keep money than to make it; (b) that wealthy men always have plenty of cash; or (c) can get it easily. Moneyed men know that this is not the case. Few people get money; fewer who get it keep it. Wealthy men are, as a rule, hard up for cash, and borrow money so as to make investments which tempt them, but which they would be forced to pass by if they had to pay cash.

Thoughtless people ask why such men as John Wanamaker, for example, carries a million and a half of life insurance. Why does he carry so much fire insurance? A man like Wanamaker is shrewd enough to carry both life and fire insurance somewhat commensurate with his needs, just as he carries more dry-goods and occupies a larger building than a smaller competitor. The idea that because, say, $800 of fire insurance is sufficient for a $1000 building, it is not necessary to insure as heavily in proportion to its value a $1,000,000 building, is obviously absurd. Moreover, the owner of a $1,000,000 building is probably better able to pay the premium upon an adequate amount of insurance than the man struggling to maintain a $1000 property.

Many people look at the amount of life insurance to be carried entirely from the point of view of the convenience of paying the premium, and not according to their needs. What man decides the amount of fire insurance by the premium to be paid instead of the amount needed if the building burns down? If men will approach the question of how much life insurance to carry by considering how much will be needed, very much more insurance will be carried. If this rule were applied, many wealthy men would be unable to get an adequate amount of life insurance, just as our largest concerns find it impossible to get all the fire insurance required. The death of a single individual—as, for example, that of Roswell P. Flower—has caused shrinkage in the values of securities all over the world to the extent of millions of dollars—greater amounts than could have been covered by all the life insurance obtainable.

A man will succeed, fail, or die. If he succeeds, the comparatively small amount of premiums safely invested in life insurance is no disadvantage, but frequently props up and saves him from failure. If he fails, life insurance is either the only salvage for the family or is lost with the rest of his property. When death comes—and it surely comes—the life insurance is, or saves, the whole estate in most cases.

The Plans of Wealthy Men Depend Upon, and Extend Over, Many Years.

Men of small capital live more from day to day, week to week, month to month. But the men erecting railroads, manufacturing plants; developing real estate, mining, ore or lumber property; organizing corporations; establishing any kind of large business, require years for their plans to mature. What would the estate of John Wanamaker, John D. Rockefeller, H. H. Rogers, Andrew Carnegie and George Westinghouse have been worth had they died thirty years ago? How many men of great ability have died before their plans have ripened—when not only large prospective earnings have been lost, but even the funds invested in partly developed plans have been swept away for lack of ready money, which might have been provided by life insurance?

Credit is Often the Principal Asset of a Wealthy Man.

Mr. Armour once said that he made money by borrowing other people's money and using it to better advantage than they could. Senator Knox has said that good will and credit are often the most valuable assets of a concern—more so than its visible property. No wise man of means allows visible, combustible property to be uninsured against possible loss by fire. How much more important that such brains as have built up a large enterprise should be insured for the protection of the family, at least.

Adequate life insurance strengthens credit while plans are developing. There are times, when financial conditions are acute, when a strong firm may be put into the hands of a receiver because of the death of that member whose good credit has given it stability.

The fact that the mercantile agencies quote the amount of life insurance carried, illustrates the credit value of life insurance to wealthy men.

It is the Rich Men of the Country Who Are in Debt.

A poor man cannot borrow a million dollars; a rich man can. The fact that a rich man has credit, while his greatest opportunity, is often his greatest peril; but it can be safeguarded by life insurance. Credit with the individual ceases at death. Estates can rarely borrow, and only with much legal work. Credit is not always, or usually, a mere matter of interest and collateral. Loans are for fear or favor. Both cease when a man is dead. It is the accumulations of those of moderate means deposited in our savings banks, our trust and life insurance companies, borrowed by wealthy men and corporations, that are used to develop large plans. Mrs. Stanford has recently said that when her husband, Leland Stanford, who left nearly $35,000,000 to Leland Stanford University, died, she was embarrassed for ready cash until a $10,000 life insurance policy, which she did not know her husband possessed, was discovered. Numerous cases are known to every banker and man of affairs where an inopportune death during acute financial conditions and while credit was strained, has ruined an otherwise prosperous estate. What peace of mind life insurance gives to the man who is conscious that his death would ruin an enterprise promising, at maturity, millions of dollars of profit! An estate in this city, which will be worth several million dollars, was materially

benefited, if not saved, by a comparatively small amount of life insurance; and there have been cases where banks and institutions of great size have been saved from destruction by a small amount of cash.

WEALTHY MEN, EVEN WHEN LIVING, CANNOT ALWAYS COMMAND READY MONEY.

There are periods, sometimes of years, when real estate and securities of the highest value are not salable. Jay Cooke, with $8,000,000 of net assets, which paid $156 on every $100 he owned under the management of his receivers, failed because he did not have ready money. Railroads to-day, with assets of millions of dollars, are paying high rates for money. A few years ago a large corporation, with assets of over $50,000,000, paid a bonus of at least $5,000,000, over and above interest, to secure a loan of nearly $20,000,000. There are times when we read that 1 per cent a day is being paid for money. There are times in a man's life when the need of money is so great that he would pay almost any rate of interest to get it. If money were needed to save the life of your wife or child, the rate of interest would be of little concern to you. This is equally true in business.

IT IS DIFFICULT FOR RICH MEN TO KEEP IDLE MONEY,

because the opportunities for using it are so constantly presented to them. Every man of means is besieged with demands upon his funds, for profitable investment or for other things; men of smaller circumstances are not. The fact that he has credit often tempts a wealthy man to keep little or no ready money on hand, and his death at such a time may ruin a valuable estate.

WEALTHY MEN NEED MONEY TO COVER THE SHRINKAGE IN THEIR ESTATES.

The store, the factory, the mine, stocks paying 7 per cent and more, may be wise investments for their owner if living to watch them. But at the man's death not only must administration expenses and taxes be paid, which in the case of an immense estate aggregate large amounts of money, but the funds may have to be invested in securities bearing a much lower rate of interest. For example, many men worth, say, $1,000,000, by the wise administration of their funds and shrewd judgment, may be making $100,000 a year, or ten per cent from their capital and brains; at their death this capital, without brains, must frequently be invested in mortgages or securities that will do well to average four or five per cent. The income of the man's family is therefore cut in two at his death.

Many men, once wealthy, have died poor. Of fifteen Equitable policyholders in one agency who carried $100,000 each in 1880, nine are dead. Of these nine, five died solvent, four with involved estates. Of the five who died solvent, there had been years in the lives of two of them at least, when their affairs would have been involved had they died then. Half of the six living are in financial difficulties to-day.

It has been recently reported in the papers that the daughter of President Tyler died in a home for aged women. Of other recent Presidents of the United States, the families of Lincoln, Grant, Garfield and McKinley were provided for by subscription or by Congressional action. The daughter of the president of one of our largest railway systems in a few months from her father's death was unable to pay her dressmaker's bill. A life insurance president who had been receiving $100,000 a year salary, died recently, leaving an estate that will produce less than $2000 a year for his family. Governor Pattison of Pennsylvania, and Governor Nash of Ohio, left practically nothing, and a subscription was taken up by the country at large for the former's family. Physicians and lawyers with a practice running into the thousands have died leaving nothing. Indeed, the fear of dying poor is said to haunt many of our wealthiest men who know the difficulty of keeping money. Are the wealthy men in your neighborhood so much shrewder than thousands of other wealthy men who have ultimately failed?

THE ONLY WAY A WEALTHY PROFESSIONAL MAN CAN POSSIBLY CAPITALIZE HIS INCOME IS BY LIFE INSURANCE.

There are some physicians and lawyers having incomes of $20,000 a year and upwards. What are these worth if these men die? How can professional men with large incomes capitalize their business except by adequate insurance?

MANY PERSONS WHO ARE RICH TO-DAY WILL LOSE THEIR MONEY WHEN THEY BECOME OLD.

Pitiful examples of this sort can be abundantly gathered from our daily papers. Isn't it ordinary prudence for a man who is accustomed to the comforts of life to lay by something that will not be lost when he is old? And can he do this safely or economically in any other way?

Not only will many men now wealthy die poor, or be without money when old, but even those who leave money need to have it safeguarded for their families. If it is hard for a man who knows the difficulties of getting and keeping money to protect his own assets, what are the probabilities that his inexperienced widow, or sons and daughters, will be able to keep what he has so laboriously and at such infinite risk and pains gathered throughout his life? Some form of instalment or annuity policy is necessary to safeguard money even if the man is sure to leave it. That it is only three generations from shirt sleeve to shirt sleeve is an adage. The instances in which wealth has lasted three generations are so rare as to be conspicuous. What is more pitiful than the many instances of women, once wealthy, who have, through mistaken investments or otherwise, lost all they once had?

Men experienced in making and keeping a fortune see the necessity for safeguarding it in every possible way. Many with great difficulty and sacrifice keep cash on hand because they know that their entire financial existence may depend not upon securities, but upon ready money at some time. Shrewd men will keep cash on deposit without interest, or at a small rate, even when they are paying six per cent or more for discount. Is it not cheaper for such men to pay a life insurance premium costing from two per cent to six per cent in order that in case of death, at any time, ready money may be provided?

These suggestions illustrate the need of life insurance by wealthy men. A knowledge of the affairs of any man of means will furnish you abundant proof of his urgent need of life insurance. It is doubly important, too, that such men, subjected to unusual strain, should take insurance when they can get it. They are likely to show physical wear and tear much earlier than those living easier lives, and consequently are apt to become uninsurable early in life.

UTILIZING THE EXAMINER.

By a Western Agent.

A successful special agent who once operated in our field almost never collected a first premium on an application. Where the question is asked, "Have you paid the agent taking this application the premium on the same?" he always wrote "no." But he generally delivered the policies when they were issued, and when we gave him some advice on the superior wisdom of collecting the premium in advance, he explained: "I seldom work a man up to a climax at one interview, or even in two or three. I lead him gently, try to make him think that the matter is not very serious, and get him to commit himself by degrees. I really aim to commit him positively, though, and at a very early stage of my canvass; but I do not permit him to realize this until it is too late. If he does not take kindly to the notion of insuring his life, and is afraid of signing an application, I invite him to go through the experience for general reasons. 'Get examined, and see if you pass,' I say to him. 'You may not be in good health and may not find it so easy to obtain insurance. This will be a good opportunity to consult a doctor without expense to yourself, and if you decide that you do not wish to put the policy in force you are under no legal obligations to do so.'"

The plan worked well. The insinuation that the applicant might not pass and might not be able to obtain insurance if he desired it touched his instinct of pride, and he was thus moved to test that point. The examination which the doctor subjected him to was more thorough than anything he had ever experienced, and he became interested in that. His curiosity on a number of points was aroused, and he questioned the doctor. The doctor derived a part of his yearly income from making examinations, and was naturally a sincere convert to insurance. His replies and explanations helped toward the conversion of the prospect, and by the time he had been thumped vigorously, carefully measured and weighed, and had furnished his family history from Adam to the present day, he had acquired con-

siderable respect for the institution of life insurance. It is a well known fact that an experience of this kind tends to arouse interest even in the most obstinate or the most dull. It will create a friendliness of feeling in those who are most antagonistic to life insurance. Gage E. Tarbell once laid his plans to write a $100,000 application. He obtained an interview of fifteen minutes and had his prospect examined by two physicians, who, by pre-arrangement, were within call. The prospect had previously been apathetic to the subject, but when the doctors began to give him perhaps the most thorough examination that he had ever received in his life, he livened up and commenced to seek various kinds of information. When the doctors were through with him he made no objections to signing an application, with the understanding that he could refuse it or put it in force. By one or two other masterly stratagems Mr. Tarbell succeeded in delivering this policy, and it is probable that his own heroic courage had much to do with the successful issue in this case; but there is no doubt that the physical examination, the presence of the two physicians and the elaborate importance of the whole proceeding went far toward inducing the prospect to complete the transaction.

Examination Changes the Mood.

The examination also does something else. In ordinary language, it changes the mood. I suppose not one man in ten thousand listens to an insurance solicitor without being antagonistic to the subject. He does not want insurance, and he instinctively fights it off. He thinks of all the arguments against it, voices all his doubts, and protests against any definite action. Now the scientists assert that if an idea favorable to a given action is in full possession of the mind it is, to all intents and purposes, what we call the will; but if this idea is beset by a score of ideas unfavorable to the action the man's will is paralyzed or obstructed, and he will find it impossible to act. He will be in the position of a balky horse. It is supposed that a balky horse begins to do some kind of thinking about his troubles which makes him balk, and that if sand is put in his mouth or something is done to get his mind off of the work before him, he will go merrily on. When the applicant gets his mind crowded with ideas that are unfavorable to insurance and so gets his will obstructed, the examination tends to quiet his mental disturbance by giving him something different to think about. After having his mind at rest for a time he can resume the subject more calmly, and the exercise he has gone through will help to decide the question for him.

Another law of the mind works in favor of the expedient of having an applicant examined in order to complete his conversion. When the mind gets started in a certain direction it has a tendency to go on. I have never considered that I am very mechanical in my temperament or a very good illustration of mental laws, but when I get started at anything I like to keep on. When I am writing applications I feel that I should prefer never to do anything else. I find it difficult to turn then to writing articles, but after I have been at my desk for an hour or two I think that I should like to lead a literary life. When I have read a paper before an appreciative audience I long to be an orator or lecturer. I always experience some internal friction in changing from one activity to another, and so do all men. The average man commits himself upon the most trifling occasion and thereafter he can hardly be driven out of his position. If he makes a statement even by mistake he will stand by it in the face of fate and defend himself by all kinds of arguments on consistency. For this reason the expedient of getting an applicant examined as a part of the conversion process is of real psychological value. It will set his head in the right direction, and he will then find it more difficult to turn back than to travel onward.

Judicious Use of Expedients.

When I began I thought this might be an article on expedients. I am somewhat in doubt, however, as to whether my final paragraph will be properly a continuation of the same expedient in another phase or a distinct device in itself; but I will proceed to dispose of it and the reader can make his own classification. After the district agent had succeeded in getting an applicant examined, he tactfully but deliberately assumed that the applicant would put the policy in force. He was careful not to say anything that would convict himself of deception, but he would throw out such remarks as the following: "When you have examined the policy you will not send it back for anything." "I feel confident that you will put the policy in force, and that you will regard it as one of your most desirable pieces of property." Just to put in another nail and clinch it, the agent would, whenever he could, take the newly examined applicant and introduce him to some old policyholders. "I want to introduce Mr. Jones," he would say. "Mr. Jones has just applied for a policy, and I want him to meet some of our policyholders." Jones could not take exception to this statement because it was the literal truth, and he disliked to explain that he was putting every one to so much trouble just to be doing it. His silence involved him still deeper, and when the agent had exhibited the application to a number of Jones' friends without explaining the condition attached to it, and it became generally known that Jones had signed an application and passed an examination, Jones was almost hopelessly fettered. His friends and acquaintances took it for granted that he was in earnest or he would not have been examined, and public opinion was generally too much for him.

These expedients, if such they may properly be called, hardly rise to the dignity of a method. Perhaps they cannot be used regularly or even often, but if the solicitor has no temperamental repugnance to them he may find it desirable to make them a part of his equipment. If he uses them judiciously he may find them useful upon more occasions than one.

THE INSURANCE BUSINESS AS A PROFESSION.*

In the first place, the agent, whether he be engaged in life, accident or other branch of insurance, should be filled with the idea that his mission is good, high and superior in point of moral excellence. With that idea he will feel the importance of his calling, and have confidence in his work. He should impress himself of the full value and truth of this point—that in every instance where he takes an application for a policy he has done a good deed in its abstract sense. He has doubtless saved some widow from penury, some child from want, or perhaps, a whole family from degradation and poverty. In every case it may be possible that he has secured, directly through his own influence, a competency for some one. The thought alone should inspire zeal, industry and indomitable perseverance.

The agent starts out with a mission to perform, outside of his own prospects of emolument for his services. The business is decidedly high-toned, and one in which any person can conscientiously engage. It never wrongs anyone; it takes advantage of no necessity of a human being; it is not speculated in like the common necessities of life—coal, flour, clothing or the products of the soil. The business done with and for a friend, acquaintance, or a stranger, does him a great good, and in time is sure to be appreciated. The blessings invoked on the head of a faithful insurance agent are plenteous and well merited and peculiarly gratifying, when from the lips of the widow and fatherless saved through his persuasion from a life of drudgery and poverty.

With this point in view, namely, that he is doing good, and has a high calling, he must proceed with zeal and hard work to get business. The life or accident insurance business must be made; built up; it never comes to a man. It is brought about by hard knocks and repeated efforts, and an agent must never be discouraged; a hard word to write, but it is the rock on which over nine-tenths of all who commence the business are wrecked. If all looks blue and dark, keep a stiff upper lip; keep pegging away, and the clouds will gradually lift, and sunshine will appear, and success will follow.

Be systematic in your canvass. Go at it as you would to a day's work of posting books, digging potatoes, laying a stone wall, preparing a sermon or filling a brief. Have a definite object in view; see men and talk with them; don't wander around expecting something to turn up, but go for a man and turn that something up for yourself; in fact, be always at work when you are around a city or village. If you must have rest from fatigue take it in some quiet nook, away from the places of business men. Don't loaf; that has killed thousands of agents, destroys their influence, and injures them in various ways; besides, it induces in some the taste for liquor and cigars; and other things follow in their legitimate course. Keep at your work from hour to hour, from day to day, and results are bound to follow.

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RENEWAL COMMISSION CALCULATIONS.

On the adjoining page The Spectator presents a table which will be found of material assistance in the agency and bookkeeping departments of every life insurance company. It shows the commissions to be paid on premiums at 7½ per cent for all amounts from one cent up to $99.99, while the sums due on even hundreds of dollars can easily be added. Every general agent will also find the table of service, inasmuch as the 7½ per cent commission rate is the standard authorized by the Armstrong law on renewal premiums. This table will be printed by The Spectator Company on heavy cardboard and supplied to companies and agents at fifty cents per copy, or $25 per 100 copies

TABLE SHOWING COMMISSIONS AT $7\frac{1}{2}$%.*

(Compiled by C. H. Symonds, Hartford, Conn.)

Commissions will be found opposite the amount, or if the exact amount is not on the table, the commission wanted will be that opposite the next greater amount. If over $100.00, find the commission on the excess of even hundreds and add $7.50 for each $100.00. Example: Commission on $246.40 = 3.48 + 15.00 = 18.48.

		$10.00		$20.00		$30.00		$40.00		$50.00		$60.00		$70.00		$80.00		$90.00	
$.06	$.00	$10.06	$.75	$20.06	$1.50	$30.06	$2.25	$40.06	$3.00	$50.06	$3.75	$60.06	$4.50	$70.06	$5.25	$80.06	$6.00	$90.06	$6.75
.20	.01	.20	.76	.20	1.51	.20	2.26	.20	3.01	.20	3.76	.20	4.51	.20	5.26	.20	6.01	.20	6.76
.33	.02	.33	.77	.33	1.52	.33	2.27	.33	3.02	.33	3.77	.33	4.52	.33	5.27	.33	6.02	.33	6.77
.46	.03	.46	.78	.46	1.53	.46	2.28	.46	3.03	.46	3.78	.46	4.53	.46	5.28	.46	6.03	.46	6.78
.60	.04	.60	.79	.60	1.54	.60	2.29	.60	3.04	.60	3.79	.60	4.54	.60	5.29	.60	6.04	.60	6.79
.73	.05	.73	.80	.73	1.55	.73	2.30	.73	3.05	.73	3.80	.73	4.55	.73	5.30	.73	6.05	.73	6.80
.86	.06	.86	.81	.86	1.56	.86	2.31	.86	3.06	.86	3.81	.86	4.56	.86	5.31	.86	6.06	.86	6.81
1.00	.07	11.00	.82	21.00	1.57	31.00	2.32	41.00	3.07	51.00	3.82	61.00	4.57	71.00	5.32	81.00	6.07	91.00	6.82
.13	.08	.13	.83	.13	1.58	.13	2.33	.13	3.08	.13	3.83	.13	4.58	.13	5.33	.13	6.08	.13	6.83
.26	.09	.26	.84	.26	1.59	.26	2.34	.26	3.09	.26	3.84	.26	4.59	.26	5.34	.26	6.09	.26	6.84
.40	.10	.40	.85	.40	1.60	.40	2.35	.40	3.10	.40	3.85	.40	4.60	.40	5.35	.40	6.10	.40	6.85
.53	.11	.53	.86	.53	1.61	.53	2.36	.53	3.11	.53	3.86	.53	4.61	.53	5.36	.53	6.11	.53	6.86
.66	.12	.66	.87	.66	1.62	.66	2.37	.66	3.12	.66	3.87	.66	4.62	.66	5.37	.66	6.12	.66	6.87
.80	.13	.80	.88	.80	1.63	.80	2.38	.80	3.13	.80	3.88	.80	4.63	.80	5.38	.80	6.13	.80	6.88
.93	.14	.93	.89	.93	1.64	.93	2.39	.93	3.14	.93	3.89	.93	4.64	.93	5.39	.93	6.14	.93	6.89
2.06	.15	12.06	.90	22.06	1.65	32.06	2.40	42.06	3.15	52.06	3.90	62.06	4.65	72.06	5.40	82.06	6.15	92.06	6.90
.20	.16	.20	.91	.20	1.66	.20	2.41	.20	3.16	.20	3.91	.20	4.66	.20	5.41	.20	6.16	.20	6.91
.33	.17	.33	.92	.33	1.67	.33	2.42	.33	3.17	.33	3.92	.33	4.67	.33	5.42	.33	6.17	.33	6.92
.46	.18	.46	.93	.46	1.68	.46	2.43	.46	3.18	.46	3.93	.46	4.68	.46	5.43	.46	6.18	.46	6.93
.60	.19	.60	.94	.60	1.69	.60	2.44	.60	3.19	.60	3.94	.60	4.69	.60	5.44	.60	6.19	.60	6.94
.73	.20	.73	.95	.73	1.70	.73	2.45	.73	3.20	.73	3.95	.73	4.70	.73	5.45	.73	6.20	.73	6.95
.86	.21	.86	.96	.86	1.71	.86	2.46	.86	3.21	.86	3.96	.86	4.71	.86	5.46	.86	6.21	.86	6.96
3.00	.22	13.00	.97	23.00	1.72	33.00	2.47	43.00	3.22	53.00	3.97	63.00	4.72	73.00	5.47	83.00	6.22	93.00	6.97
.13	.23	.13	.98	.13	1.73	.13	2.48	.13	3.23	.13	3.98	.13	4.73	.13	5.48	.13	6.23	.13	6.98
.26	.24	.26	.99	.26	1.74	.26	2.49	.26	3.24	.26	3.99	.26	4.74	.26	5.49	.26	6.24	.26	6.99
.40	.25	.40	1.00	.40	1.75	.40	2.50	.40	3.25	.40	4.00	.40	4.75	.40	5.50	.40	6.25	.40	7.00
.53	.26	.53	1.01	.53	1.76	.53	2.51	.53	3.26	.53	4.01	.53	4.76	.53	5.51	.53	6.26	.53	7.01
.66	.27	.66	1.02	.66	1.77	.66	2.52	.66	3.27	.66	4.02	.66	4.77	.66	5.52	.66	6.27	.66	7.02
.80	.28	.80	1.03	.80	1.78	.80	2.53	.80	3.28	.80	4.03	.80	4.78	.80	5.53	.80	6.28	.80	7.03
.93	.29	.93	1.04	.93	1.79	.93	2.54	.93	3.29	.93	4.04	.93	4.79	.93	5.54	.93	6.29	.93	7.04
4.06	.30	14.06	1.05	24.06	1.80	34.06	2.55	44.06	3.30	54.06	4.05	64.06	4.80	74.06	5.55	84.06	6.30	94.06	7.05
.20	.31	.20	1.06	.20	1.81	.20	2.56	.20	3.31	.20	4.06	.20	4.81	.20	5.56	.20	6.31	.20	7.06
.33	.32	.33	1.07	.33	1.82	.33	2.57	.33	3.32	.33	4.07	.33	4.82	.33	5.57	.33	6.32	.33	7.07
.46	.33	.46	1.08	.46	1.83	.46	2.58	.46	3.33	.46	4.08	.46	4.83	.46	5.58	.46	6.33	.46	7.08
.60	.34	.60	1.09	.60	1.84	.60	2.59	.60	3.34	.60	4.09	.60	4.84	.60	5.59	.60	6.34	.60	7.09
.73	.35	.73	1.10	.73	1.85	.73	2.60	.73	3.35	.73	4.10	.73	4.85	.73	5.60	.73	6.35	.73	7.10
.86	.36	.86	1.11	.86	1.86	.86	2.61	.86	3.36	.86	4.11	.86	4.86	.86	5.61	.86	6.36	.86	7.11
5.00	.37	15.00	1.12	25.00	1.87	35.00	2.62	45.00	3.37	55.00	4.12	65.00	4.87	75.00	5.62	85.00	6.37	95.00	7.12
.13	.38	.13	1.13	.13	1.88	.13	2.63	.13	3.38	.13	4.13	.13	4.88	.13	5.63	.13	6.38	.13	7.13
.26	.39	.26	1.14	.26	1.89	.26	2.64	.26	3.39	.26	4.14	.26	4.89	.26	5.64	.26	6.39	.26	7.14
.40	.40	.40	1.15	.40	1.90	.40	2.65	.40	3.40	.40	4.15	.40	4.90	.40	5.65	.40	6.40	.40	7.15
.53	.41	.53	1.16	.53	1.91	.53	2.66	.53	3.41	.53	4.16	.53	4.91	.53	5.66	.53	6.41	.53	7.16
.66	.42	.66	1.17	.66	1.92	.66	2.67	.66	3.42	.66	4.17	.66	4.92	.66	5.67	.66	6.42	.66	7.17
.80	.43	.80	1.18	.80	1.93	.80	2.68	.80	3.43	.80	4.18	.80	4.93	.80	5.68	.80	6.43	.80	7.18
.93	.44	.93	1.19	.93	1.94	.93	2.69	.93	3.44	.93	4.19	.93	4.94	.93	5.69	.93	6.44	.93	7.19
6.06	.45	16.06	1.20	26.06	1.95	36.06	2.70	46.06	3.45	56.06	4.20	66.06	4.95	76.06	5.70	86.06	6.45	96.06	7.20
.20	.46	.20	1.21	.20	1.96	.20	2.71	.20	3.46	.20	4.21	.20	4.96	.20	5.71	.20	6.46	.20	7.21
.33	.47	.33	1.22	.33	1.97	.33	2.72	.33	3.47	.33	4.22	.33	4.97	.33	5.72	.33	6.47	.33	7.22
.46	.48	.46	1.23	.46	1.98	.46	2.73	.46	3.48	.46	4.23	.46	4.98	.46	5.73	.46	6.48	.46	7.23
.60	.49	.60	1.24	.60	1.99	.60	2.74	.60	3.49	.60	4.24	.60	4.99	.60	5.74	.60	6.49	.60	7.24
.73	.50	.73	1.25	.73	2.00	.73	2.75	.73	3.50	.73	4.25	.73	5.00	.73	5.75	.73	6.50	.73	7.25
.86	.51	.86	1.26	.86	2.01	.86	2.76	.86	3.51	.86	4.26	.86	5.01	.86	5.76	.86	6.51	.86	7.26
7.00	.52	17.00	1.27	27.00	2.02	37.00	2.77	47.00	3.52	57.00	4.27	67.00	5.02	77.00	5.77	87.00	6.52	97.00	7.27
.13	.53	.13	1.28	.13	2.03	.13	2.78	.13	3.53	.13	4.28	.13	5.03	.13	5.78	.13	6.53	.13	7.28
.26	.54	.26	1.29	.26	2.04	.26	2.79	.26	3.54	.26	4.29	.26	5.04	.26	5.79	.26	6.54	.26	7.29
.40	.55	.40	1.30	.40	2.05	.40	2.80	.40	3.55	.40	4.30	.40	5.05	.40	5.80	.40	6.55	.40	7.30
.53	.56	.53	1.31	.53	2.06	.53	2.81	.53	3.56	.53	4.31	.53	5.06	.53	5.81	.53	6.56	.53	7.31
.66	.57	.66	1.32	.66	2.07	.66	2.82	.66	3.57	.66	4.32	.66	5.07	.66	5.82	.66	6.57	.66	7.32
.80	.58	.80	1.33	.80	2.08	.80	2.83	.80	3.58	.80	4.33	.80	5.08	.80	5.83	.80	6.58	.80	7.33
.93	.59	.93	1.34	.93	2.09	.93	2.84	.93	3.59	.93	4.34	.93	5.09	.93	5.84	.93	6.59	.93	7.34
8.06	.60	18.06	1.35	28.06	2.10	38.06	2.85	48.06	3.60	58.06	4.35	68.06	5.10	78.06	5.85	88.06	6.60	98.06	7.35
.20	.61	.20	1.36	.20	2.11	.20	2.86	.20	3.61	.20	4.36	.20	5.11	.20	5.86	.20	6.61	.20	7.36
.33	.62	.33	1.37	.33	2.12	.33	2.87	.33	3.62	.33	4.37	.33	5.12	.33	5.87	.33	6.62	.33	7.37
.46	.63	.46	1.38	.46	2.13	.46	2.88	.46	3.63	.46	4.38	.46	5.13	.46	5.88	.46	6.63	.46	7.38
.60	.64	.60	1.39	.60	2.14	.60	2.89	.60	3.64	.60	4.39	.60	5.14	.60	5.89	.60	6.64	.60	7.39
.73	.65	.73	1.40	.73	2.15	.73	2.90	.73	3.65	.73	4.40	.73	5.15	.73	5.90	.73	6.65	.73	7.40
.86	.66	.86	1.41	.86	2.16	.86	2.91	.86	3.66	.86	4.41	.86	5.16	.86	5.91	.86	6.66	.86	7.41
9.00	.67	19.00	1.42	29.00	2.17	39.00	2.92	49.00	3.67	59.00	4.42	69.00	5.17	79.00	5.92	89.00	6.67	99.00	7.42
.13	.68	.13	1.43	.13	2.18	.13	2.93	.13	3.68	.13	4.43	.13	5.18	.13	5.93	.13	6.68	.13	7.43
.26	.69	.26	1.44	.26	2.19	.26	2.94	.26	3.69	.26	4.44	.26	5.19	.26	5.94	.26	6.69	.26	7.44
.40	.70	.40	1.45	.40	2.20	.40	2.95	.40	3.70	.40	4.45	.40	5.20	.40	5.95	.40	6.70	.40	7.45
.53	.71	.53	1.46	.53	2.21	.53	2.96	.53	3.71	.53	4.46	.53	5.21	.53	5.96	.53	6.71	.53	7.46
.66	.72	.66	1.47	.66	2.22	.66	2.97	.66	3.72	.66	4.47	.66	5.22	.66	5.97	.66	6.72	.66	7.47
.80	.73	.80	1.48	.80	2.23	.80	2.98	.80	3.73	.80	4.48	.80	5.23	.80	5.98	.80	6.73	.80	7.48
.93	.74	.93	1.49	.93	2.24	.93	2.99	.93	3.74	.93	4.49	.93	5.24	.93	5.99	.93	6.74	.93	7.49

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THE SPECTATOR

A WEEKLY REVIEW OF INSURANCE.

FORTNIGHTLY LIFE INSURANCE SUPPLEMENT

Devoted to Life Insurance and the General Interests of Life Underwriting, Comments on Current Events, Suggestions and Hints for Field Workers, Technical Matters for Home Office Consideration, and Information as to What is Going On in Office and Field

ISSUED EVERY OTHER THURSDAY AS A SUPPLEMENT TO THE SPECTATOR.

New York, Thursday, October 24, 1907.

RECENT INSURANCE LEGISLATION.

EXHAUSTIVE REVIEW OF LIFE INSURANCE LEGISLATION ENACTED IN TWENTY-SEVEN STATES.

Policy Forms—Payment of Premiums—Incontestability—Distribution of Surplus—Non-forfeiture—Policy Loans—Grace—Reinstatement—Dating Back—Reciprocal Provisions—Valuations—Discrimination—Annual Reports—Etc., Etc.

By E. E. Rhodes, Mathematician, Mutual Benefit Life Insurance Company.

At the semi-annual meeting of the Actuarial Society of America, held at Toronto, October 10 and 11, E. E. Rhodes, mathematician of the Mutual Benefit Life Insurance Company, presented an exhaustive paper reviewing the life insurance legislation enacted subsequent to the passage of the Armstrong laws in New York. Mr. Rhodes has been particularly active in combating various vicious phases of the legislation proposed in a number of States, and in his paper points out many doubtful statutes. In compiling this review he has placed the entire life insurance fraternity under deep obligations to him. His paper is herewith presented in full.

It is my purpose to review in this paper the laws regulating the business of life insurance enacted subsequently to the Armstrong legislation in New York, which do not relate solely to companies of local origin. Such laws have been enacted in the following States:

Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Illinois, Kansas, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Missouri, Montana, New Hampshire, New Jersey, North Carolina, North Dakota, Oregon, South Dakota, Tennessee, Texas, West Virginia, Wisconsin and Wyoming.

The legislatures of Florida, Georgia, Idaho, Indiana, Nebraska, New Mexico, Pennsylvania, Rhode Island, South Carolina and Utah have not enacted any new laws relating to life insurance.

In the States of Colorado, Massachusetts and Minnesota the entire code was revised.

1. POLICY FORMS TO BE FILED WITH THE INSURANCE COMMISSIONER.

In the States of Colorado, Illinois, Michigan, Minnesota, New Jersey, North Dakota and Tennessee no policy may be issued until the form thereof has been filed with the Insurance Commissioner, and it shall be unlawful for any company to issue a policy if the form thereof is disapproved by him. His action, however, is made subject to review by the courts.

In Massachusetts the policy forms must be filed with the Commissioner at least thirty days before they can be issued, and the Commissioner's disapproval must be expressed within that time. His action is subject to review by the courts.

2. POLICY TO CONSTITUTE ENTIRE CONTRACT.

In Colorado, Delaware, Louisiana, Massachusetts, Michigan, Minnesota, Montana, New Hampshire, New Jersey, North Dakota and Tennessee the policy is to constitute the entire contract. In Louisiana and New Jersey nothing can be incorporated therein by reference to any constitution, by-laws, rules, application or other writings, unless the same are indorsed upon or attached to the policy when issued. If on its face the policy is the entire contract, the spirit, at least, of the law would be complied with if the policy did not expressly state that it was the entire contract. It is difficult to see how such a provision could be inserted in a participating policy. A company should issue a certificate, for example, covering any additional benefits secured by dividends, and such certificate would become a part of the contract.

In Illinois the policy, together with the application therefor, a copy of which is to be indorsed upon or attached to the policy and made a part thereof, shall constitute the entire contract, but the copy of the application need not be attached to any policy containing a clause making the policy incontestable from date of issue.

3. PAYMENT OF PREMIUMS.

Colorado, Illinois, Michigan, Minnesota, New Jersey, North Dakota and Tennessee require a provision in the policy that premiums shall be payable in advance either at the home office of the company or to an agent on delivery of a receipt signed by one or more of the officers who shall be named in the policy. Colorado, Minnesota and New Jersey provide that the policy may be a receipt for the first premium, but the laws of the other States could be likewise construed. In Minnesota and New Jersey the receipt is to be countersigned by the agent, but this, so far as I know, is a general practice, with which the laws of the other States would not conflict. In Illinois the first premium is not included in the provision.

4. STATEMENTS OF INSURED TO BE DEEMED REPRESENTATIONS.

In Louisiana, Massachusetts, Michigan, Minnesota, New Jersey, North Dakota and Tennessee the policy must provide that statements made by the insured shall, in the absence of fraud, be deemed representations and not warranties. The elimination of warranties from the application would seem to be, in effect, a compliance with this requirement.

5. AVOIDANCE OF POLICY.

In Colorado, Massachusetts, Michigan, Minnesota, North Dakota and Tennessee no statement made by the insured shall avoid the policy unless it is contained in a written application and a copy of such application shall be indorsed upon or attached to the policy when issued. The omission of any provision contrary to the above would seem to be a practical compliance with the law. In Massachusetts no oral or written misrepresentation or warranty shall be deemed material or defeat or void the policy unless made with actual intent to deceive or unless the matter misrepresented or made a warranty increases the risk.

6. INCONTESTABILITY.

In Colorado the policy is to be incontestable after "not more than" two years from its date, except for non-payment of premiums and violation of the conditions of the policy relating to naval and military service in time of war, or other prohibited risks. By the careless use of words, this law is in effect exactly the opposite of what its framers intended it to be.

In Michigan, Minnesota, North Dakota and Tennessee there must be a provision in the policy that the policy shall be incontestable after two years from its date except for non-payment of premiums and except

for violations of the conditions of the policy relating to naval and military services in times of war.

In Minnesota a special form of policy, however, may be issued on the life of a person employed in an occupation classed by the company as extra hazardous or as leading to hazardous employment, which shall provide that service in certain designated occupations may reduce the company's liability under the policy to a certain designated amount not less than the full policy reserve.

In Illinois the policy is to be incontestable after two years from its date of issue, except for non-payment of premiums and for violation of the conditions of the policy relating to naval or military service in time of war.

In Massachusetts the policy is to be incontestable after two years from its date, except for non-payment of premiums and for engaging in military or naval service in time of war without the consent in writing of an executive officer of the company.

In New Jersey, after a specified time, not later than two years from its date, the policy is to be incontestable except for non-payment of premiums and violations of its expressed conditions, if any, relating to hazardous travel, residence or occupation, in which case the liability of the company may be limited to a definitely determinable reduced amount, not less than the full reserve for the policy and any existing dividend additions.

7. MISSTATEMENT OF AGE.

In Colorado, Massachusetts, Michigan, Minnesota, New Jersey, North Dakota and Tennessee the policy must provide that if the age of the insured has been understated, the amount payable shall be such as the premium would have purchased at the correct age.

In Illinois the policy must provide that if the age of the insured has been misstated, the amount payable shall be such as the premium would have purchased at the correct age, or the premium may be adjusted and credit given to the insured or to the company, according to the company's published rates at date of issue.

8. DISTRIBUTION OF SURPLUS.

In Colorado the policyholder is to be permitted at the time the first dividend is declared, to select from among the options set forth in the policy the manner and method of payment of the surplus to be annually apportioned to his policy. The distribution may be deferred, but on all policies under which the distribution is deferred to a fixed or specified time and made contingent upon the policy being in force and the insured alive at the time, the company must annually ascertain, beginning at the end of the fifth policy year, the amount of the surplus to which all such policies as a separate class are entitled, and shall annually apportion to such policies as a class the amount of surplus so ascertained, "subject to the mortality experience of the company to the end of the dividend period." Upon application, the company must furnish to the policyholder an annual statement showing the contingent surplus accumulation to the credit of the policy at the beginning of the preceding year, the rate of interest earned upon the accumulation, the amount of interest, the amount of saving and profit contingently accredited to the policy during the preceding year, and the total amount of the surplus accumulation then contingently credited to the policy. The form of statement is prescribed.

Section 43 of the Colorado law states that the right to cash dividends provided by section 42 may be specifically waived in the policy, but section 42 does not give any right to cash dividends.

In Illinois there is no restriction upon either the time or the manner of distributing surplus, except that participation shall begin not later than the end of the twentieth policy year. The policy may provide that each dividend shall be paid subject to the payment of the premium for the next ensuing year. The insured shall have the right to have any dividend to which he may be entitled paid in cash. If any company shall issue policies under the terms of which the payment of dividends is deferred beyond the third year, it shall furnish the Superintendent of Insurance with a statement showing the number and amount of all policies with deferred dividends in force at the beginning of the year for which the statement is made, all of such policies issued and revised, or terminated during the year, with the mode of termination, and the number and amount of all such policies in force at the end of said year; also a statement showing any and all amounts provisionally set apart, ascertained or calculated or held awaiting apportionment upon such policies at the beginning of said year, the additions made to the said fund during the year, with the sources from which such additions arose, the deductions made from the fund during the year, with the reasons therefore, and the amount of said fund at the end of the year, which shall be carried as a separate liability to such classes of policies on and for which the fund was accumulated. Upon written request of the insured under any deferred dividend policy, after the policy shall have been in force more than three years, the company shall furnish the policyholder with a statement of the amount of surplus provisionally ascertained or set aside on such policy and held awaiting apportionment at the expiration of the deferred dividend period.

In Louisiana a foreign company which shall not provide in every participating policy that the proportion of the surplus accruing upon said policy shall be ascertained and distributed annually and not otherwise, and which shall not ascertain and distribute the surplus accruing upon said policies annually either by providing for their payment in cash, or their application to the payment of premiums, or to the purchase of paid-up additions, or for their accumulation as provided in case of domestic companies, shall not be permitted to do business in the State. It would seem that if any one of the options above named be given, the law would be complied with.

In Michigan and Tennessee, beginning not later than the end of the fifth policy year, the company must determine and account for the portion of the divisible surplus accruing on the policy. The owner of the policy shall have the right to have the current dividend arising from such participation paid in cash. At the option of the policyholder such accounting and payment shall be made at periods of not more than five years. Moreover, in Tennessee, whenever such apportionment has been made and the dividend left with the company, the amount thereof shall be reported as a separate liability, and the term "divisible surplus" is defined to mean the excess of admitted assets over and above the total liabilities "including legal reserve, paid-up or guaranteed capital stock, and any surplus set aside for the specific purpose of retiring said guaranteed capital stock, or $100,000 of required surplus if there be no capital stock, and the contingency reserve."

In Massachusetts the policy is to participate in surplus annually, beginning not later than the end of the third policy year. The amount apportioned is to be either paid in cash or applied in payment of premiums or to the purchase of paid-up additions, or accumulated by the company subject to withdrawal by the policyholder. The granting of any one of these options would seem to be all that is required.

In Minnesota the provisions seem to be conflicting. Section 72 provides that the company shall make an annual apportionment and accounting of divisible surplus to each policyholder, beginning not later than the end of the third policy year, and that each such policyholder will be entitled to and be credited with such a portion of the entire divisible surplus as has been contributed thereto by his policy. Section 74 provides that every policyholder shall be permitted after his policy has been in force five years, annually to select the manner of the application of the dividend from among those set forth in the policy, and that all apportioned surplus not actually paid over to the insured or applied in the reduction of current or future premiums or in the purchase of paid-up insurance or pure endowment additions, shall be credited to the insured and carried as an actual liability to be paid at the maturity of the policy. Section 85 requires that the policy shall contain a provision for participation in surplus and that beginning not later than the end of the third policy year the company will annually determine and account for the portion of the divisible surplus accruing on the policy, and that the owner of the policy shall have the right each year after the fifth to have the current dividend arising from such participation, paid in cash. If the policy provides other dividend options and the insured shall not elect any such other options, the dividend shall be paid in cash. The provision may stipulate that any dividends payable during the first five years shall be conditioned upon the payment of the net ensuing premium.

In section 77 of the Minnesota law it is provided that on all deferred-dividend policies heretofore issued the company shall annually ascertain the amount of surplus to which such policies as a separate class are entitled, and shall annually apportion to such policies as a class the amount of surplus so ascertained, and carry the same, plus the actual interest earnings and accretions of the fund, as a distinct and separate liability to such class of policies on and for which the same was accumulated. A company is not permitted to use any part of such apportioned surplus fund for any purpose whatsoever other than the express purpose for which the same was accumulated.

In Montana, North Dakota and West Virginia the requirement is similar to sections 72 and 74 of the Minnesota law, except that the five-year provision found in section 74 of the Minnesota law is omitted.

In North Dakota and South Dakota, in case of deferred dividend policies heretofore issued, the company must annually ascertain the amount of surplus to which such policies as a separate class are entitled, apportion the same thereto, and carry the amount of such apportioned surplus, plus interest earnings and accretions to such fund, as a liability to the class of policies for which the same are accumulated. A company is not permitted to use any part of the fund for any purpose other than for the express purpose for which it was accumulated, and it must at the time of mailing the premium notice, show the contingent surplus accumulated to the credit of the "policy" at the beginning of the preceding year, the rate of interest earned upon the accumulation, the amount of the interest, and the amount of savings and profit contingently accredited to the policy during the preceding year, with a showing of the total amount of the accumulation then contingently accredited to the policy. The form of statement prescribed in South Dakota differs somewhat from that in North Dakota.

It will be observed that in section 44 of the Colorado law above referred to, and in the North Dakota and South Dakota laws, the required apportionment relates only to a particular class or classes of policies. The requirement regarding individual policies would seem to be nugatory.

In New Jersey the policy must contain a provision that it shall participate in the surplus of the company, and that beginning not later than the end of the fifth policy year, the company at uniform intervals, not less than one nor more than five years, to be specified in the policy, will determine and account for the portion of the divisible surplus accruing thereon. The owner of the policy shall have the right to have the dividend paid in cash at the end of the then current policy year, provided no other dividend option given in the policy or in the dividend notice shall have been duly elected, and provided no part of any yearly premium for the ensuing policy year remains unpaid. The last proviso is optional with the company. The provision is not required in insurances issued or granted in exchange for lapsed or surrendered policies.

9. NON-FORFEITURE.

In Arizona the stipulations and requirements of paragraph 809 are to be read into and be a part of the policy. Paragraph 809 defines the non-forfeiture provisions which every policy issued upon the life of a resident of the Territory and delivered within the Territory shall contain "unless specifically contracted between the insurer and the insured for tontine insurance or for other term or paid-up insurance."

In Colorado the policy must provide that in event of default in premium payments after three years' premiums have been paid, there shall be secured to the insured without action on his part, as specified in the policy, either paid-up insurance or extended insurance, the net value of which shall be at least equal to the entire net reserve held by the company on the policy, including dividend additions (if any) less $2\frac{1}{2}$ per centum of the amount insured by the policy and dividend additions, if any, or one-fifth of such reserve, and less any outstanding indebtedness to the company on the policy at time of default. In lieu of the above, the policy may provide that unpaid premiums shall be charged as a lien against the policy, provided the amount that would otherwise be applicable to the purchase of paid-up or extended insurance is sufficient to secure such loan with interest added at a rate not exceeding 6 per centum. There shall also be secured to the insured the right to

surrender the policy to the company at its home office within one month from date of default, for a cash value equal to the sum available for the purchase of paid-up or extended insurance. This latter requirement may be specifically waived in the policy.

In Louisiana every policy other than a term policy for twenty years or less, must provide that in event of non-payment of premium, or of any loan or interest, after being in force three full years, not less than four-fifths of the entire reserve, less any indebtedness, shall, upon surrender of the policy be applied as a surrender value as agreed upon in the policy, provided that if no other option expressed in the policy be availed of by the owner thereof, the value shall be automatically applied to continue the insurance in force at its full amount, including dividend additions, less any indebtedness, so long as the surrender value will purchase non-participating term insurance at net single-premium rates by the standard adopted by the company. In case of endowment policies, if the value is more than sufficient to continue the insurance to the end of the endowment term, the excess shall be used to purchase pure endowment insurance payable at the end of the term. Any value allowed in lieu of the extended insurance must be at least equal to the net value of the extended insurance.

Massachusetts requires in the policy a provision specifying the options to which the policyholder is entitled in event of default in premium payments after three years' premiums have been paid. It requires nothing more than a provision.

In Illinois, Michigan, Minnesota, North Dakota and Tennessee there must be in the policy a provision which in event of default in premium payments after premiums have been paid for three years, shall secure to the owner of the policy a stipulated form of insurance, the net value of which shall be at least equal to the entire reserve at date of default, specifying the mortality table and rate of interest adopted for computing the reserve, less a sum not more than 2½ per centum, of the amount insured by the policy and any existing dividend additions, and less any existing indebtedness to the company on the policy. The provisions shall also stipulate that the policy may be surrendered to the company at its home office within one month from date of default, for a specified cash value at least equal to the sum which would otherwise be available for the purchase of insurance as aforesaid, and may stipulate that the company may defer payment not more than six months after the application is made.

The above provision is not required in term insurances of twenty years or less.

In Minnesota, section 75, there is a provision regarding non-forfeiture, differing from section 85 referred to above, in that it requires the granting of paid-up or extended insurance or cash value, of the same minimum value as that required under section 85, provided the policy shall not be continued in force by virtue of an automatic loan provision therein, and in that section 75 need not be incorporated in the policy. The two sections appear to be another evidence of careless legislation.

In Montana and West Virginia, in event of default in premium payments after three years' premiums have been paid, there shall be secured to the insured without action on his part either paid-up insurance or extended insurance, as specified in the policy, the net value of which shall be at least equal to the entire net reserve held by the company, less 2½ per centum of the amount insured by the policy and dividend additions, if any, and less any outstanding indebtedness to the company. There shall also be secured to the insured the right to surrender the policy to the company at its home office within one month from date of default, for the cash surrender value otherwise available for the purchase of paid-up or extended insurance.

The respects in which S. B. 61 in North Dakota differs from S. B. 172 will be noted by the reader.

Chapter 454 of the Tennessee laws also differ from chapter 457 in that it follows section 75 of the Minnesota law, the only respect in which it differs from the latter being that instead of specifying paid-up or extended insurance, it specifies a stipulated form of insurance. It differs from chapter 457 of the Tennessee law in that the latter does not refer to an automatic loan provision.

In New Jersey there must be a provision in the policy which in event of default in premium payments after premiums have been paid for three years, secures to the owner of the policy a stipulated form of insurance the net value of which shall be at least equal to the entire specified reserve held by the company, less a specified percentage (not more than 3) of the amount insured by the policy, including dividend additions, and less any outstanding indebtedness on the policy.

The specified percentage need not be stated for the policy years included in the required table of surrender values, and the provision is not required in term policies of twenty years or less.

10. POLICY LOANS.

In Illinois there must be a provision in the policy that after three full years' premiums have been paid, the company at any time while the policy is in force will loan on the execution of a proper note or loan agreement by the insured and on proper assignment and delivery of the policy and on the sole security thereof, at a specified rate of interest, a sum equal to or at the option of the insured, less than the reserve at the end of the current policy year on the policy and dividend additions thereto (the reserve basis to be specified), less a specified perceutage, not more than 2½, of the amount insured by the policy and any dividend additions thereto, and that the company will deduct from such loan value any existing policy indebtedness and any unpaid balance of the premium for the current policy year, and may collect interest in advance on the loan to the end of the current policy year. The loan may be deferred for not exceeding six months after application therefor is made. No condition other than that provided by law shall be exacted as a prerequisite to any such loan. The provision is not required in term insurances, nor does it apply to temporary insurance or pure endowment insurance issued or granted in exchange for lapsed or surrendered policies. In ascertaining the indebtedness due upon policy loans, the interest, if not paid when due, shall be added to the principal of such loans, and shall bear interest at the rate specified in the note or loan agreement.

In Michigan, Minnesota, North Dakota and Tennessee the law differs from the Illinois law, in that it must be stipulated that failure to repay any loan or interest shall not avoid the policy unless the total indebtedness shall equal or exceed the loan value at time of such failure, nor until one mouth after notice shall have been mailed by the company to the last known address of the insured and assignee, if any. In these four States the provision is not required in term insurances.

11. GRACE.

In Massachusetts the policy must contain a provision that the insured is entitled to a grace of thirty days, within which the payment of any premium after the first year may be made, subject at the option of the company, to an interest charge not in excess of 6 per cent per annum. During the period of grace the policy shall continue in full force, but in case the policy becomes a claim during the period before the overdue premium or deferred premiums of the current policy year, if any, are paid, the amount of such premiums with interest on any overdue premium, may be taken from the face of the policy in settlement.

In Illinois, Michigan, Minnesota, North Dakota and Tennessee the policy must contain a provision for a grace of one month for the payment of every premium after the first year (in Minnesota and North Dakota the word "year" is omitted) which may be subject to an interest charge, during which month the insurance shall continue in force, which provision may contain a stipulation that if the insured shall die during the month of grace, the overdue premium will be deducted in any settlement of the policy.

In New Jersey there must be a provision in the policy for one month's grace for the payment of each premium after the first, subject to an interest charge, during which month the insurance shall continue in force, provided the overdue premium shall be paid within the month.

It would seem that in all the above cases the company could not be required to accept the premium unless it was paid within the month of grace.

12. REINSTATEMENT.

In Massachusetts the policy must contain a provision that the holder shall be entitled to reinstate it at any time within three years from date of default, unless the cash value has been duly paid or the extension period expired, upon evidence of insurability satisfactory to the company and the payment of all overdue premiums and any other indebtedness to the company on the policy with interest at a rate not exceeding 6 per centum per annum.

In Illinois, Michigan, Minnesota, North Dakota and Tennessee the policy must contain a provision that if in event of default in premium payments the value of the policy shall be applied to the purchase of other insurance, and if such other insurance shall be in force and the original policy shall not have beeu surrendered to the company and canceled, the policy may be reinstated within three years from default, upon evidence of insurability satisfactory to the company and payment of all arrears of premiums with interest.

In New Jersey the policy must contain a like provision, except that the insured may be required to pay compound interest on arrears of premium and on all loans, if any.

13. SETTLEMENT OF CLAIMS.

In Illinois, Michigan, Minnesota, New Jersey, North Dakota and Tennessee the policy must contain a provision that when it becomes a claim by the death of the insured, settlement shall be made immediately upon receipt of due proof, or not later than two months thereafter.

14. TABLE OF SURRENDER VALUES.

Colorado, Illinois, Massachusetts, Michigan, Minnesota, New Jersey, North Dakota and Tennessee require a table in the policy showing the loan values, if any, and the options available each year upon default in premium payments during at least the first twenty years of the policy, beginning with the year in which such values become available. In Massachusetts the table must cover twenty years.

15. TABLE OF INSTALMENT VALUES.

In Colorado, Illinois, Massachusetts, Michigan, Minnesota, New Jersey, North Dakota and Tennessee the policy must contain a table showing the amounts of instalments in which the proceeds of the policy may be payable. In Massachusetts the table must include annuity payments as well as instalments.

16. POLICY TITLE.

In Illinois, Michigan, Minnesota, North Dakota and Tennessee there must appear on the face and back of the policy a title correctly describing the same. In New Jersey the title need appear only on the first page.

17. FORFEITURE FOR FAILURE TO REPAY LOAN OR INTEREST.

Colorado, Illinois, Michigan, Minnesota, New Jersey, North Dakota and Tennessee prohibit any provision in the policy for forfeiture for failure to repay any loan or interest thereon while the total indebtedness on the policy is less than the loan value thereof, or (except in Illinois) any provision for such forfeiture unless it contain a stipulation that no such forfeiture shall occur until at least one month after notice shall have been mailed to the last known address of the insured. In Colorado, Michigan, Minnesota, North Dakota and Tennessee notice must also be mailed to the assignee, if any, and in New Jersey notice must be mailed to the person to whom the loan was made.

18. DATING BACK.

Colorado prohibits any provision by which the policy shall purport to be issued or dated back more than one year before the original application was made "if thereby the assured would rate at an age younger than his age not more than one year at date when application was made, according to his age nearest birthday." What is probably meant is that the insured cannot be rated at an age more than one year younger than his age (nearest birthday) at the time of the application.

Illinois prohibits a provision by which the policy shall purport to be

issued or dated back for more than six months before the original application was made.

Michigan and Tennessee prohibit a provision by which the policy shall purport to be issued or to take effect before the original application was made if thereby the insured would rate at an age younger than his age immediately preceding the date when the application was made. The Minnesota and North Dakota laws in this respect are the same, except that the insured must rate at his age nearest birthday.

19. LIMITING TIME FOR COMMENCEMENT OF ACTION.

Colorado, Minnesota, New Jersey, North Dakota and Tennessee prohibit any provision limiting the time at which any action at law or in equity may be commenced to less than five years after the cause of action shall accrue. In Illinois the time is three years, in Michigan six years, in Massachusetts two years, and in West Virginia one year.

20. MODE OF SETTLEMENT.

Illinois prohibits a provision for any mode of settlement at maturity of less value according to the company's published rates therefor then in use than the amount insured by the face of the policy, plus dividend additions, if any, less any indebtedness on the policy and less any premium that may by the terms of the policy be deducted.

Michigan, Minnesota, North Dakota and Tennessee have a similar law, which does not, however, refer to the company's published rates. Michigan exempts sub-standard policies.

21. GENERAL PROHIBITION.

Michigan, North Dakota and Tennessee prohibit any provision in the policy contemplating any proposed benefit not essentially a part of the insurance contract and any connection of the insured with the compay other than that of policyholder.

22. RECIPROCAL PROVISIONS.

In Illinois, Michigan, Minnesota, North Dakota and Tennessee the policies of foreign companies may contain any provision which the law of the State, Territory, district or county under which the company is organized prescribes shall be in such policies when issued therein.

In New Jersey no provision of the act regarding contents of policies shall apply to policies of life insurance issued or delivered in that State by a company operating therein, but organized outside thereof, when such provision is inconsistent with any law of the State in which the company is organized.

23. AGENTS.

In Delaware, Louisiana, Minnesota, Missouri, Montana, New Hampshire, New Jersey, North Carolina, North Dakota, Tennessee and West Virginia any person who shall solicit an application for insurance upon the life of another, shall, in any controversy, relating thereto between the insured or his beneficiary and the company, be regarded as an agent of the company, and not as the agent of the insured. In Delaware, Minnesota, Missouri, Montana, New Hampshire, North Dakota and Tennessee the words "relating thereto" are omitted from the law. In Delaware and Tennessee no corporation or stock company shall be licensed as the agent of a life insurance company.

24. VALUATIONS.

In California, Colorado and Illinois policies issued after January 1, 1908, are to be valued on the basis of net premiums by the American Experience Table of Mortality and interest at 3½ per cent yearly.

In Michigan and Tennessee policies may be issued providing for not more than one year preliminary term insurance, by the incorporation therein of a clause on the face of the policy distinctly specifying that the first year's insurance is term insurance. If the premium charged for the term insurance under a limited payment life or endowment preliminary term policy providing for the payment of all premiums thereon in less than twenty years from the date of the policy, exceeds that charged for like insurance under twenty payment life preliminary term policies of the same company at the same age, the reserve thereon at the end of any year including the first, shall not be less than the reserve on a twenty payment life preliminary term policy issued in the same year and at the same age, together with an amount which shall be equivalent to the accumulation of a net level premium sufficient to provide for a pure endowment at the end of the premium payment period equal to the difference between the value at the end of such period of such twenty payment life preliminary term policy and the full reserve at such time of such a limited payment life or endowment policy. Illinois has a similar provision affecting only limited payment life policies.

In North Dakota and West Virginia the provision is the same as in Michigan and Tennessee, except that if the premium charged for term insurance on any endowment preliminary term policy exceeds that charged for insurance under whole life preliminary term policies of the same company, or if such is the case under a limited payment life preliminary term policy providing for the payment of all premiums thereon in less than twenty years, the reserve under such policies at the end of any year, including the first, shall not be less than the reserve on a whole life preliminary term policy issued in the same year and at the same age, together with an amount which shall be equivalent to the accumulation of a net level premium sufficient to provide for a pure endowment at the end of the premium payment period of such a whole life preliminary term policy and the full reserve at such time of such a limited payment or endowment policy. In West Virginia policies issued after January 1, 1907, are to be valued by the American Experience Table and 3½ per cent interest.

In Minnesota policies may provide for not more than one year preliminary term insurance, and shall be valued accordingly if the following clause is incorporated therein: "The first year's insurance under this policy is term insurance."

In New Jersey in case of policies issued after 1907 a modified net reserve plan is to be used under certain conditions. Under this plan, in case of a policy having a net premium equal to or greater than the net premium at the same age for a continuous premium whole life policy, the reserve for the first year is found by reducing the usual net reserve (American Experience 3½ per cent) by the excess of the reserve for the ordinary life policy over that for a one-year term policy at the same age. For the second year the usual reserve is diminished by five-sixths of the aforesaid excess; for the third year by four-sixths; for the fourth year by three-sixths; for the fifth year by two-sixths; for the sixth year by one-sixth. In case of any policy having a net premium less than that of the ordinary life policy, the usual reserve for the first year is reduced by the excess of the usual reserve over that for a one-year term policy; for the second year the usual reserve is reduced by three-fourths of the above mentioned excess; for the third year by one-half, and for the fourth year by one-fourth. Subject to the above, no policies issued after December 31, 1907, shall be valued as term insurance if the premiums charged for term insurance exced those charged by the company for like term insurance under any other form of policy. The Commissioner of Insurance may accept the valuation of the Department of any other State when made upon a specified basis according to which the reserves shall be at least as large as if they had been computed upon the basis prescribed by the New Jersey law, if the insurance officer of the other State or country accepts the certificate of valuation of the New Jersey Commissioner, or if the insurance officer of any other State by express requirement of law shall have made yearly, for not less than thirty years past, valuations of policies of companies transacting business in such State. The modified net reserve plan is not to be employed in valuing the policies of any company which has premium reserves amounting to four hundred millions of dollars or more, and as to other companies, its application after December 31, 1910, shall be subject to the following limitations: If the reserves amount to twenty-five millions on December 31, 1910, or at the close of any year thereafter, the plan shall be employed in the valuation of the endowment policies of such company issued in any succeeding year; and if the reserves of any company are found to amount to fifty million dollars on December 31, 1910, or at the close of any year thereafter, the plan shall not be applied to the valuation of any policies thereafter issued.

Request for the application of the plan must be filed with the Commissioner of Insurance not later than March 31, and such request when made shall be considered as continued for succeeding years, unless the company shall withdraw such request. The request shall be accompanied by an agreement on the part of the company that the sum of the expenses incurred and payable wholly in connection with the first year's premiums on policies issued in the year, including commissions, agents' salaries, or other compensation based on new business, agents' advances, and medical fees and a proper share of other expenses, together with the modified mean net reserves to be held for such policies, shall not exceed the total amount of said first year's premiums including premiums deferred or in course of transmission, and also that the aggregate expenses in each calendar year shall be so regulated that the percentage of such expenses upon premiums received in such year shall be less than when similarly computed for the calendar year next previous. In reckoning such aggregate expenses, investment expenses not exceeding one-fourth of 1 per cent of the mean invested assets at book value, and taxes on real estate and other necessary outlays, exclusively connected with real estate, shall not be included. Companies shall, not later than the first day of February, file with the Commissioner an exhibit showing how far it has fulfilled its agreement as to the calendar year next previous, and if the Commissioner after due notice and hearing shall consider that the company has failed to make a reasonable and proper compliance with its agreement, he shall notify it that the modified net reserve plan will not be applied to the valuation policies of said company issued during the previous year and in succeeding years.

In Oregon the valuation shall be made on the American Experience Table with 4½ per cent interest, or upon the Actuaries' Table with interest at 4 per cent, or according to the select and ultimate method on the basis that the rate of mortality during the first five years shall be calculated according to the following percentages of the rates shown by the American Experience Table, viz.: first insurance year, 50 per cent; second, 65 per cent; third, 75 per cent; fourth, 85 per cent, and fifth, 95 per cent, or according to the preliminary term plan, or modified preliminary term plan.

25. CONTINGENCY RESERVE.

In Minnesota a company may accumulate and maintain in addition to the capital and surplus contributed by stockholders, and in addition to the net values of its policies, a contingency reserve not exceeding the following percentages of said net values: If the net values are less than $100,000, 20 per centum thereof, or the sum of $10,000, whichever is greater; when said net values are greater than $100,000, the percentage thereof measuring the contingency reserve shall decrease half of 1 per centum for each $100,000, of such net values up to $1,000,000; when said net values are greater than $1,000,000, but do not exceed $25,000,000, the contingency reserve shall not exceed 15 per centum thereof; when said net values are greater than $25,000,000, but do not exceed $50,000,000, the contingency reserve shall not exceed 12½ per centum thereof; when said net values are greater than $50,000,000, but do not exceed $100,000,000, the contingency reserve shall not exceed 10 per centum thereof; when greater than $100,000,000, but not in excess of $150,000,000, 7½ per centum; when greater than $150,000,000, the contingency reserve shall not exceed 5 per centum thereof. A company may maintain any accumulated contingency reserve, although for the time being it may exceed the maximum percentage, but may not add to the contingency reserve when the addition will bring it beyond the maximum percentage. The Commissioner may permit a company to accumulate and maintain a contingency reserve in excess of the limitation for a prescribed period, not exceeding one year under any one permission. This law does not apply to a company doing exclusively a non-participating business.

In Montana, North Dakota, Tennessee and West Virginia a company may accumulate and maintain in addition to the amount of capital and surplus contributed by stockholders, or if there be no capital stock, in addition to the $100,000 of required surplus and in addition to the amount of the net values of its policies and the amount of temporary capital stock, if any, a contingency reserve not exceeding the following respective percentages of the amount of the net values: when the amount of the net values is less than $100,000, 20 per cent thereof; or the sum of

$10,000, whichever is the greater; when the amount of said net values is more than $100,000, the percentage thereof measuring the contingency reserve shall decrease one-half of 1 per centum for each $100,000 of the amount of said net values up to $1,000,000; one-half of 1 per cent for each additional $1,000,000 up to $10,000,000; one-half of 1 per cent for each additional $2,500,000 up to $20,000,000; one-half of 1 per cent for each additional $5,000,000 up to $50,000,000; one-half of 1 per cent for each additional $25,000,000 up to $75,000,000. If the amount of said net values equals or exceeds the last mentioned amount, the contingency reserve shall not exceed 5 per centum thereof. The provisions for continuing to hold the contingency reserve accumulated and authorizing the Commissioner to permit a company to accumulate and maintain a contingency reserve in excess of the limit, are the same as in Minnesota; and, as in Minnesota, the law does not apply to a company doing exclusively a non-participating business.

In North Dakota the law does not exclude $100,000 of surplus of a mutual company in ascertaining whether the contingency reserve is within the limitation.

However much or little can be said in justification of other laws referred to in this article, these particular laws are utterly without justification.

26. PREMIUM NOTICES.

In Louisiana no company shall within one year after default in payment of any premium or interest declare forfeited or lapsed any policy except a term policy for one year or less, unless written or printed notice stating the amount of the premium or interest due, the place where it shall be paid, and the person to whom the same is payable, shall have been duly mailed to the insured or assignee at least fifteen and not more than forty-five days prior to the date when the same is payable. The notice shall also state that unless the premium or interest shall be paid by or before the day it falls due, the policy and all payments thereon will become forfeited and void except as to the right to a surrender value. No policy shall be forfeited until the expiration of thirty days after the mailing of such notice. The affidavit of anyone authorized to mail the notice that the same was duly mailed, shall be presumptive evidence that the notice was given. No action shall be maintained to recover under a forfeited policy unless the same is instituted within two years from the date of default.

27. MISREPRESENTATION BY OFFICERS OR AGENTS.

In Colorado, Delaware, Illinois, Louisiana, Massachusetts, Minnesota, Missouri, Montana, New Jersey, North Dakota, Tennessee and West Virginia there is a prohibition against issuing or circulating or causing or permitting to be issued or circulated, any estimate, illustration, circular or statement, of any kind, misrepresenting the terms of any policy or the benefits or advantages promised thereby, or the dividends or share of surplus to be received thereon, or the use of any name or title of any policy, misrepresenting the true nature thereof.

28. DISCRIMINATION.

In Colorado, Maine, Massachusetts, Minnesota, Missouri, Montana, New Hampshire, New Jersey, North Dakota, Oregon, West Virginia and Wyoming stringent laws have been passed regarding rebating and discrimination. Colorado and Maine include the receiver, as well as the giver, of the rebate in the prohibition. In West Virginia any policy sold in violation of the law is null and void. All except Massachusetts and Oregon prohibit "any paid employment or contract for services of any kind." Tennessee and the above named States except Minnesota, New Jersey and Oregon prohibit giving, selling or purchasing, or offering to give, sell or purchase, as inducement to insurance or in connection therewith any stocks, bonds or other securities of any insurance company or other corporation, association, or partnership, or any dividends or profits to accrue thereon, or anything of value whatsoever, not specified in the policy.

In Louisiana the contract is to have the benefit of all legislative or legal enactments of the State in which the company is domiciled.

29. AGENTS' COMMISSIONS.

New Jersey prohibits companies issuing policies upon both the participating and non-participating plan, from making any distinction in the rate of commission or in compensation paid to an agent based upon the participating or non-participating character of any policy issued through said agent.

30. MISREPRESENTATION BY INSURED.

In Arizona and Kansas no misrepresentation made in obtaining a policy of insurance shall be deemed material or render the policy void, unless the matter misrepresented shall have actually contributed to the contingency or event on which the policy is to become due and payable. No defense based upon misrepresentation shall be valid unless the defendant shall at or before the trial deposit in court for the benefit of the plaintiff the premiums received on such policy.

31. POLITICAL CONTRIBUTIONS.

In Colorado, Delaware, Massachusetts, Minnesota, New Hampshire, New Jersey, North Carolina, North Dakota, South Dakota, Tennessee and West Virginia political contributions are prohibited.

32. VOUCHERS.

In Tennessee no company shall make any payment out of its funds amounting to $100 or more, unless the same shall be evidenced by a voucher properly signed and correctly describing the consideration for the payment. If the payment be for both services and other purposes, the voucher shall set forth an itemized statement of the specific services rendered, and of all other expenditures. If the expenditure be in connection with any matter pending before any legislative or public body, or before any Department or officer of any State or government, the voucher shall correctly describe in addition the nature of the matter and the interest of the company therein. When such voucher cannot be obtained, the expenditure shall be evidenced by an affidavit describing the character and object of the expenditure and stating the reason for not obtaining the voucher.

33. SALARIES.

In Tennessee no company may pay any salary, compensation or emolument to any officer, trustee or director thereof or any salary, compensation or emolument amounting in any one year to more than five thousand dollars, to any one person, firm or corporation, unless such payment be first authorized by a vote of the board of directors. Any agreement with officers, trustees or salaried employees providing for any salary, compensation or emolument extending beyond a period of twelve months is prohibited. Any officer, director, or trustee who is paid a salary for his services of more than one hundred dollars per month, shall not receive any other compensation or emolument. The above does not apply to general agents. All pensions are prohibited.

In Missouri and North Dakota no company which pays as a salary or as compensation for services more than fifty thousand dollars per annum to any one person, shall be licensed to transact business.

34. MISUSE OF FUNDS.

In Missouri and Oregon any person connected with any insurance company using or employing or permitting others to use or employ any of the funds or securities of the company for private profit or gain, shall be subject to imprisonment.

35. REMOVAL OF SUITS TO FEDERAL COURTS.

The laws of Alabama and Missouri now provide that the removal of a suit from the State to the Federal courts will result in the cancellation of the company's license. In Missouri the same is true if a company institutes a suit in the Federal courts. In Minnesota the company must agree not to remove a case from the State to the Federal courts. In Colorado a company cannot remove a case without the consent of the other party.

36. ANNUAL REPORTS.

Section 103 of the New York insurance law has been enacted in Colorado, Delaware, Louisiana, Minnesota, New Jersey and North Dakota with the following modifications:

Colorado does not require a statement of any certificate issued by the Insurance Commissioner extending the time for the disposition of real estate.

In connection with the third item Minnesota and New Jersey do not call for a statement of the substitutions of securities held for loans; other than substitutions made during the current year, and New Jersey does not call the names of the borrowers. In item 11 there is no reference to the select and ultimate method of valuation.

In New Jersey item 12 of the New York law is omitted.

In Colorado a company issuing or "having issued" both participating and non-participating policies shall make a separate statement of profits and losses, etc. The words "having issued" may, however, be construed as referring to the year for which the statement is made.

Section 101 of the Massachusetts law relating to annual statements, has been amended, but the amendments cannot well be summarized here.

In Massachusetts the gain and loss exhibit need not be filed before May 1, and in New Jersey before June 30.

37. POWER OF ATTORNEY.

In Minnesota, Montana and West Virginia the Commissioner is to be appointed attorney for service of process.

38. TAXES.

In Alabama the license to do business must be procured from the Secretary of State, the fee for which is $10 per annum. The tax has been fixed at 2 per cent of the premiums collected. In Delaware a tax of 2 per cent of the premiums is imposed.

In Arkansas, companies must pay a franchise tax ranging from $10 to $100, based upon their authorized capital stock.

In West Virginia the tax appears to have been increased to 2 per cent of the premiums.

39. INSURANCE OF MINORS.

In New Jersey, in respect of insurance heretofore or hereafter issued upon the life of any person not of the full age of twenty-one years, but of the age of fifteen years or upwards, for the benefit of such minor, or for the benefit of the father, mother, husband, wife, child, brother or sister of such minor, the assured shall not by reason only of such minority be deemed incompetent to contract for such insurance, or for the surrender of such insurance, or to give a valid discharge for any benefit accruing, or for money payable under the contract.

The person liable for the support of a minor may secure insurance for a limited amount on the life of the minor.

40. CONCLUDING REMARKS.

In Connecticut the only laws passed regarding life insurance related to rebating and companies' advertisements.

In California companies must furnish a bond for $20,000, the conditions of such bond to be as follows: 1. That the company and its agents will pay all State, county and municipal property and license taxes in the manner and at the time prescribed by law. 2. That the company will conform to all the provisions of the revenue and other laws made to govern them; and 3. That the company will promptly pay all fees, assessments, taxes, penalties and fines that may be laid upon or against it.

From the above summary it will be seen that the much-heralded conference of Governors, Attorneys-General and Insurance Commissioners, which was held ostensibly to secure uniform legislation for the benefit of policyholders, met with failure. Instead of uniformity there is confusion, and instead of legislation which will benefit policyholders, there is a mass of laws which are not understood by their sponsors, and an arbitrary enforcement of which must result in great harm.

It has not been deemed necessary to refer to the legislation in Texas which resulted in the enforced withdrawal of practically all the established companies doing business in that State. Neither have I referred to

the legislation in Wisconsin. In the latter State there are new laws prohibiting misrepresentation by companies or agents; requiring companies to furnish a copy of the application; requiring them to report to the Commissioner of Insurance moneys disbursed in opposing and promoting legislation; prohibiting the writing of participating and non-participating business by the same company; requiring companies to report to the Commissioner of Insurance contributions made for political purposes; requiring foreign stock life insurance companies to determine and report the respective rights of policyholders and stockholders; prohibiting discrimination; requiring separate gain and loss exhibits for participating and non-participating business; the publicity requirements of the New York law, with much additional information; prohibiting corporations from acting as agents; providing for an annual license fee of three hundred dollars, and repealing chapter 455 of the laws of 1905; and a law providing that where no other penalty is prescribed, any violation of the insurance laws of the State shall be punished by a fine of not more than five thousand dollars in case of a company, and by a fine of not more than one thousand dollars and by imprisonment in the county jail for not exceeding one year, or by both fine and imprisonment in case of a person. In addition to these laws there are others regarding annual apportionment of dividends and the apportionment of deferred dividend surplus, defining certain words and phrases, and limiting expenses and premium loadings, in the preparation of which the framers displayed such crass ignorance that they themselves are unable to place any consistent interpretation upon them.

In order to secure the passage of these laws it was necessary to employ the arts of the demagogue, to prostitute political power, and to engage in specious sophistry. Such laws can only become a lasting reproach to the men primarily responsible for them.

It should be borne in mind that this article is intended to cover only regular forms of insurance. While care has been exercised to make it complete and correct, errors doubtless exist, and the original laws should be consulted in every case.

THE BURDEN OF TAXATION.

By A Western Agent.

Life insurance companies, perhaps in nearly every part of the United States, are groaning under the burden of taxation, and the end is not yet. Each legislature that meets threatens to increase the load, and for two or three years representatives of life insurance companies have haunted State capitols as much as they dared, to beg for mercy. They have prophesied utter ruin to the business if more restrictions were imposed, have threatened to withdraw from certain States if the censorship were not removed, but in the end have submitted to the yoke. Why have they not adopted a more direct and surer method of accomplishing their ends?

The public is marvelously ignorant on the subject of life insurance. In the last two years I have frequently debated with a man who is a college graduate, a student, a writer on finance and a rigid personal economist He is nearing the end of life's journey, but he has still sound faculties and is the possessor of a modest fortune of $150,000. Surely he ought to be able to comprehend money matters readily! And yet he said to me: "Attorney F——, the expert on insurance law who died a few years ago, once told me that the reserves of a life insurance company is the most monstrous anomaly that is known to civilization. Every legal reserve company in the United States is piling up dollars year after year that will never serve any legitimate use!" And this came from a man who writes on money systems, a man who has matured an endowment in a first-class company, and who could not be cheated out of a cent in any ordinary business transaction. When I took a rate book and pointed out that when a policyholder lapses and takes paid-up insurance, or avails himself of the extended term feature, he uses his reserve, or if he surrenders he withdraws his share of the reserve in cash, or if he dies his reserve pays a part of the claim, he refused to understand me. "Why, then," he inquired, "does a life insurance company grow to such enormous proportions? Why does it never stop accumulating millions?" I confess that, although I have been saturated with life insurance for seventeen years, it puzzles me to state his dilemma clearly, and I had to rehash my explanations several times before I felt that I had made a satisfactory answer. My answer was in substance as follows: A life insurance contract ranges from ten years to a life time. I know one man who has agreed to pay $5000 for twenty years; and when he has met his last premium, he alone will have deposited $100,000 with our company. Thousands of old policyholders have contracts to make regular deposits each year; and if not a new policy were issued, the assets of this company would keep on increasing until the policyholders began to die off rapidly from old age. The principle is true of all companies, large or small. The assets must increase. Bearing in mind that the large aggressive companies have organizations of agents all over the United States, and that they are issuing tens of thousands of new policies each year, it is not surprising that the assets increase so rapidly. Last year the particular company I have in mind as I write, wrote nearly a hundred millions in new business. It paid out nearly eight millions in death claims. About this ratio between new business and death claims has existed since the company's organization and, so far as any human being can judge at present, it is likely to continue indefinitely. Under the circumstances, can there be any possible check to the increase in assets? Apparently not, for every increase in assets increases the liabilities, and if by any extraordinary event a life insurance company should lose all of its policyholders at once, it might be able to pay twenty cents on the dollar. To manage $200,000,000 so that they will ultimately settle claims for $800,000,000 insurance is no schoolboy's problem. Of these facts my friend, the financial writer, was utterly ignorant, and he declined to understand them.

Public and Legislators Ignorant.

The general public is still more ignorant than he, and legislators are not superior to the general public either in intelligence or in quantity of knowledge. In their hazy and superficial style of thinking, a life insurance company with $200,000,000 assets is simply another giant octupus like the Standard Oil Company and a few men own the dollars they are supposed to manage. I say without hesitation that the average man, in the legislature or out, makes but little distinction in his estimation of corporations; and in the face of all evidence he has a feeling that when he taxes the funds of a life insurance company he is crippling the officers and stockholders. He is like the comedian in vaudeville who tears a hat to tatters under the impression that it belongs to someone else. The joke is never perceived by the legislator, however, for he never learns that the burdens he imposes fall upon himself and the public.

Now, why do not life insurance companies unite and maintain a bureau of information for the education of Insurance Departments, legislators and all those who think they are bleeding a fat corporation? I have heard it said that foreign insurance companies pay $300,000 into the treasury of the State in which I live. It costs less than $25,000 to conduct our Insurance Department. In other words, the policyholders of my State are paying $275,000 for the privilege of saving their money and protecting their homes. The tax may be right and just; I am not discussing that point just now, but the people should understand what they are doing. The burlesque of tapping the coffers of the insurance companies, while in reality emptying the policyholders' pockets, should cease. Why cannot insurance companies do more to instruct public opinion in these particulars? Hundreds of thousands of premium notices are mailed in the United States every month. Why not stamp across the notice in large type each month: "The officers and stockholders of life insurance do not pay the taxes of policyholders. They cannot afford it. The officers of the company of which you are a member receive salaries for themselves and clerks amounting to $600,000 a year. The company pays out in taxes $800,000 a year. Make it a point to see that your legislator does not pass laws to take any more money out of your pockets."

Should the Reserve be Taxed.

However, this article is rapidly expanding and I must bring out another point or two before closing. Assume that I have a $10,000 policy in a foreign company; I have paid ten premiums on it and its present cash value is $1490; in another year this value will be increased. Under the contract it is absolutely mine as long as the company is solvent, and I may withdraw it upon demand. This is my reserve and I could perceive a color of justice and common sense in a plan for taxing this money. I concede this without wishing to be thought in any sense as an advocate of taxing reserves; I simply admit that a just excuse might be found for taxing my reserve just as any other property that I have accumulated is taxed; but notice: I am taxed a certain per cent by my home State for presuming to carry a policy in a foreign company; I cannot say what the exact sum is each year, because it fluctuates somewhat and is more or less according to the amount that is returned to the State in the form of death benefits,

etc. I might not complain of this indirect and indefinite taxation, but mark: I am taxed again by the State from which my company has its charter, perhaps as a further rebuff for not encouraging home enterprises. To use a sentence from Charles Dickens, the taxers "stick it into me, up hill and down dale, and make a devilish comfortable little property out of me." Now, as I have intimated, I might not object to a definite and direct taxation on my reserve; but in the effort to hold-up a greedy corporation, I get held-up in two places. I object to such exactions. No State has the right to blackmail me for encouraging its enterprises. If life insurance is to be taxed at all, the simplest method would be a tax upon the reserve. I am not fond of being taxed for anything; but if I must be taxed, I should like it to be done sensibly.

For cold-blooded exactions the State of Wisconsin is probably the worst in the Union. In 1899 it passed a law making a charge of one per cent upon all Wisconsin policyholders in foreign companies and a one per cent tax upon the gross receipts of the Northwestern Mutual in particular. The bill was made retroactive, so as to apply to the taxes that were due for 1898, and in 1899 the Northwestern found itself fined in the sum of $240,000. This was a direct charge upon foreign policyholders. To make matters worse, other States passed retaliatory laws which cost the company an additional $50,000. The total charge for 1899 amounted to nearly $300,000; and it has been increasing every year at the rate of nearly $100,000. As a result of this iniquitous legislation, the Northwestern pays more taxes in proportion to its assets than any company in the United States. In this last statement I give my impression rather than the result of actual investigation. In an argument before the Wisconsin Tax Commission in 1900, the late Willard Merrill said in substance: "Foreign policyholders insist that this charge is an exaction by the State of Wisconsin and the burden should be borne by this State. Now suppose we acted upon this theory. I have not gone into figures, but it is my opinion that no more dividends would be paid in Wisconsin. In such event we could do no more business in the State from which we have a charter. Wisconsin should foster its institutions, and I trust I have made it apparent that the present taxation is so burdensome that the Northwestern is fairly entitled to be relieved from it."

Mr. Merrill's arguments were ineffective and the exaction continues. The legislature of 1907 made strenuous efforts to double the burden, but was temporarily defeated. It seems to me that if policyholders are not made to realize that they must pay the penalty for all exorbitant taxes, we shall see the day when life insurance will be too great a luxury for most of us.

THE VALUE OF GOOD WILL.

In all lines of business, "good-will" is recognized as a real thing; a valuable asset, which is transferable for a money consideration, or in lieu of capital. It is something which a man acquires, something which is built up by years of honest endeavor, hard work and sterling integrity, combined with a certain personality which always contributes to sucess.

The good-will of a firm goes on to its successors, provided they are worthy of it; but the good-will of an individual goes with him—and dies with him.

A certain man connected with a prominent commercial journal, not an advertising man, can go out and secure more advertising, any time, than the regular advertising man can. The reason is plain to those who know. It is good-will. The first gets business simply because he goes after it; he obtains it because people seem to want to give it to him. The other man is all right, honest and reliable, but he does not possess the qualities which draw men to him, which compels, so to speak, their good-will.

The first man will secure a contract from a firm who would refuse the other.

Personality, or perhaps a certain ability to attain a desired result, counts for everything. It may be a keener knowledge of human nature, a natural tact in dealing with men—ability to get along with other men.

However the thing may be analyzed, it is invaluable to every man whose vocation consists of soliciting business of any name or nature.

Just as some doctors repel a patient, just as some lawyers frighten their own clients with their ponderous judicial airs, so some life agents are the personification of that time-honored bit of humor—"life insurance is a grave business."

Many people shudder at the thought of insuring life, because it suggests the inevitableness of death.

The insurance solicitor who carries about him an air of cheerful optimism is just as much more welcome than the man with the "grave" business proposition, as is the cheerful, smiling doctor when he enters the sick-room than the physician with a tomb-stone face.

The life insurance agent has something to cheer—to ease life's burdens, to bring peace and contentment to the man while he lives, for it ensures ease and comfort to his dependents after he is gone. The life agent offers a gilt-edge investment of the surest and safest kind—and a short-cut to competency.

The average man don't care much about being told just how many more years he may expect to live, by the Actuaries Table of Mortality, but he does like to know that there is a sure way to prosperity and peace of mind open to him.

ANNUAL AND DEFERRED DIVIDENDS.

For the past few weeks The Spectator has been printing the annual dividends paid in 1907 by life insurance companies on policies issued in the thirty years ending with 1906. These are supplementary to those published by The Spectator Company in the 1907 edition of the work known as "Annual and Deferred Dividends." Twenty-four companies complied with our request for information as to their 1907 dividends, while others, for various reasons, declined to give out any figures. It may be said, however, that some companies are now writing only non-participating contracts, and hence the matter of dividends on old policies becomes unimportant. In the case of most of the others the dividend schedule remains the same as in 1906, so that the figures for that year may be used as a guide to those of 1907. The final instalment of dividends being paid in 1907 appears in The Spectator this week, and will now be issued in book form as a supplement to the 1907 edition of "Annual and Deferred Dividends." The supplement is of tinted paper of uniform size with the book, and sells at 50 cents per copy to those who have already purchased the book. Copies of the complete work with the supplement bound in can be supplied at $2.00 each. All orders must be addressed to The Spectator Company, 135 William street, New York.

HOME LIFE INSURANCE COMPANY

Reserve Basis.—American 3½% since 1901. Combined 4% prior.

Annual Dividends Per $1000 Paid in 1907

Year Policy Was Issued.	Ordinary Life.				20-Payment Life.				20-Year Endowment.			
	Age at Issue.				Age at Issue.				Age at Issue.			
	25	35	45	55	25	35	45	55	25	35	45	55
Premium	20.84	27.47	39.12	60.90	29.68	36.38	47.11	66.34	49.45	51.52	56.65	70.51
1902*	3.42	4.57	6.58	10.17	4.01	5.16	7.11	10.54	5.32	6.17	7.75	10.82
1903	3.42	4.45	6.38	10.17	3.84	4.95	6.83	10.20	4.95	5.80	7.37	10.44
1904	3.26	4.32	6.19	9.61	3.67	4.74	6.56	9.87	4.60	5.45	7.01	10.06
1905	3.18	4.20	6.00	9.33	3.51	4.53	6.30	9.54	4.26	5.11	6.66	9.69
1906	....	....	....	....	....	....	....	....	....	....	....	....
	Age at Issue.				Age at Issue.				Age at Issue.			
	30	40	50	60	30	40	50	60	30	40	50	60
Premium	23.72	32.43	48.28	78.42	32.67	41.06	55 22	82.02	50.28	53.46	61.93	
1902*	3.92	5.44	8.11		4.52	6.01	8.57		5.69	6.83	9.02	
1903	3.82	5.28	7.87		4.33	5.77	8.26		5.32	6.46	8.64	
1904	3.72	5.12	7.63		4.14	5.53	7.96		4.96	6.10	8.28	
1905	3.62	4.97	7.40		3.96	5.30	7.67		4.62	5.75	7.92	
1906	....	....	....		....	....	....		....	....	...	

* Reserve basis changed to 3½%.

BERKSHIRE LIFE INSURANCE COMPANY

Reserve Basis.—American 3½% since 1900. Combined 4% prior.

Annual Dividends Per $1000 Paid in 1907

Year Policy Was Issued.	Ordinary Life. Age at Issue.				20-Payment Life. Age at Issue.				20-Year Endowment. Age at Issue.			
	25	35	45	55	25	35	45	55	25	35	45	55
Premium	19 80	26.60	38 10	59 40								
1877	....	....	....	....								
1878	....	7.81	11.35	....								
1879	5.39	7.64	11.13	....								
1880	5.29	....	10.90	17.00								
1881	4.67	6.62	....	15.20								
1882	4.57	....	9.46	....								
1883	4.47	6.32	9.23	....								
1884	4.38	6 18	....	14.39								
1885	....	....	8.79	14.12								
1886	....	....	....	....								
Premium					28.00	35.10	46.40	65.60	48.00	50.30	56 30	71.60
1887	....	....	8.36	....	....	....	....	....	....	....	....	....
1888	....	5.64	....	....	....	....	....	....	....	....	....	....
1889	....	5.52	....	....	4 98	6.38	....	....	....	....	....	....
1890	....	5.40	....	....	....	6.28	....	....	....	....	....	....
1891	....	5.29	7.58	....	4.86	....	....	....	....	6.81	....	....
1892	3.90	....	....	....	....	....	....	....	....	....	....	....
1893	....	5.08	7.24	....	4.74	....	8.33	....	5.81	....	....	....
1894	....	....	....	....	....	....	....	....	....	....	....	....
1895	....	....	....	....	4 63	5.79	....	....	5.62	....	....	....
Premium	20.20	27.30	39 70	61.90	28 10	35.40	47.10	67.20	48 60	51 00	57.00	71 70
1896	....	4.70	7.14	....	....	5 04	....	....	4.80	5.63	....	....
1897	....	....	....	....	....	4.96	7 17	....	4.71	....	....	....
1898	....	....	6.84	11.15	....	4 88	7.03	....	....	....	....	....
1899	3.43	4.50	....	10 90	....	4.82	6.90	....	....	....	7.20	....
1900	....	....	6.56	10.67	3.72	4.76	6 77	....	4.45	....	....	....
Premium	21.14	27.63	39.02	60 33	30 05	36 62	47.09	65.81	49.98	51.88	56 70	70 02
1901	....	....	....	....	....	....	5.63	....	....	....	....	....
1902	....	....	6.42	....	....	....	....	....	....	....	....	....
1903	....	4 70	6 23	9.62	....	....	....	....	4.14	....	....	....
1904	3.82	....	6.05	....	3.85	4.62	....	....	....	....	....	....
1905	....	4 50	5.88	8.95	3.74	4.46	....	....	....	4.42	....	....
1906	....	....	....	....	....	....	....	....	....	....	....	....

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

Reserve Basis.—American 3½% since 1900. Combined 4% prior.

Annual Dividends Per $1000 Paid in 1907

Year Policy Was Issued.	Ordinary Life. Age at Issue.				20-Payment Life. Age at Issue.				20-Year Endowment. Age at Issue.			
	25	35	45	55	25	35	45	55	25	35	45	55
Premium	19 68	26.54	38 44	60 05								
1877	6.54	9 41	13.65	19.84								
1878	6.34	9.12	13.33	19.57								
1879	6.14	8.85	12 99	19.26								
1880	5.95	8.58	12.66	18.92								
1881	5.77	8.32	12.33	18.58								
1882	5.59	8.06	11.99	18.21								
1883	5 42	7.82	11.66	17.84								
1884	5 25	7.58	11.33	17.45								
1885	5.09	7.34	10 99	17 05								
1886	4.93	7.12	10 66	16.65								
Premium					27.28	34 20	45 20	64.00	46.82	49 21	55 06	69.41
1887	4.79	6 89	10.34	16.26	5 97	7.68	10 03	13.11	8.75	9.33	10.35	12.17
1888	4.66	6 67	10 01	15.84	5 77	7 43	9 82	13.27	8 35	9.02	10.30	12.82
1889	4.53	6 45	9.70	15.44	5 57	7 18	9 59	13.29	7.97	8.72	10.17	13.20
1890	4.42	6.25	9.39	15.03	5.39	6.93	9 34	13 20	7.59	8.40	10 00	13.38
1891	4.32	6.05	9.09	14.62	5.21	6.69	9.07	13.03	7.23	8.06	9.78	13.43
1892	4.21	5 85	8.79	14 20	5 04	6 45	8.80	12.80	6.88	7.74	9.54	13.37
1893	4.12	5.67	8.51	13.78	4.87	6.21	8.53	12.54	6.54	7.41	9.28	13.22
1894	4 02	5.48	8.23	13.37	4.71	5 98	8.25	12.23	6.21	7.09	8.99	13.01
1895	3.93	5 31	7.97	12.95	4.56	5.75	7.97	11.89	5.89	6 77	8.70	12.73
Premium	20.20	27.30	39 70	61 90	28 10	35.40	47.10	67.20	48 60	51.00	57.00	71.70
1896	4.29	5.78	8.77	14.14	5.10	6.55	9 32	14.30	7.11	8.00	10.08	14.41
1897	4.21	5.63	8.51	13 73	4.95	6 35	9.03	13.93	6.82	7.70	9.77	14.08
1898	4.12	5.47	8.25	13.33	4.81	6.15	8.76	13.54	6.54	7.40	9.46	13.73
1899	4.04	5.35	8.00	12.93	4.68	5.97	8.49	13.19	6.27	7.12	9.15	13.38
1900	3.96	5.22	7.76	12 55	4.54	5 79	8.22	12.81	6.00	6.86	8.84	13.00
Premium	21.14	27 63	39 02	60 33	30 05	36 62	47 09	65.81	49 98	51 88	56.70	70 02
1901	4.05	5.07	6.98	10.70	4.59	5.62	7.45	10.99	5.80	6.56	8.02	11.21
1902	3.94	4.91	6.69	10.26	4.37	5.35	7 07	10.49	5.35	6.10	7.53	10.68
1903	3.83	4.73	6.41	9.82	4.16	5.07	6.71	9.99	4 91	5 65	7.06	10.14
1904	3.73	4.58	6.15	9.37	3 96	4.82	6 36	9.51	4.49	5.23	6.61	9.62
1905	3.63	4.43	5.89	8.96	3.77	4.57	6.03	9.03	4 09	4.82	6.18	9.09
1906	3.38	4.10	5.43	8.17	3.43	4.15	5.48	8.21	3.54	4.25	5.54	8.23

EQUITABLE LIFE OF NEW YORK

Reserve Basis.—American 3% since 1905. American 4% prior

Annual Dividends Per $1000 Paid in 1907

Year Policy Was Issued.	Ordinary Life. Age at Issue.				20-Payment Life. Age at Issue.				20-Year Endowment. Age at Issue.			
	25	35	45	55	25	35	45	55	25	35	45	55
Premium	19.89	26.38	37.97	59.91	27.39	34.08	45.03	64.82	47.68	49.79	55.04	69.24
1877	6.09	8.52	12.71	19.64								
1878	6.01	8.40	12.56	19.51								
1879	5.94	8.29	12.41	19.37								
1880	5.88	8.17	12.25	19.21								
1881	5.81	8.06	12.08	19.06								
1882	5.76	7.95	11.91	18.86								
1883	5.56	7.65	11.48	18.26								
1884	5.37	7.36	11.05	17.68								
1885	5.18	7.09	10.61	17.09								
1886	4.99	6.81	10.20	16.49								
1887	4.82	6.54	9.79	15.90	5.78	7.37	10.08	14.69	8.37	9.07	10.47	13.60
1888	4.64	6.26	9.37	15.29	5.56	7.09	9.75	14.45	8.05	8.77	10.26	13.69
1889	4.46	6.00	8.97	14 66	5.33	6.81	9.40	14.11	7.72	8.45	9.99	13.60
1890	4.28	5.73	8.56	14.05	5.12	6.53	9.03	13.70	7.41	8.12	9.69	13.38
1891	4.12	5.48	8.17	13.41	4.92	6.25	8.66	13.23	7.09	7.79	9.34	13.07
1892	3.94	5.23	7.77	12.78	4.70	5.96	8.27	12.72	6.76	7.44	8.97	12.67
1893	3.78	4.99	7.37	12.14	4.50	5.68	7.89	12.19	6.43	7.09	8.60	12.20
1894	3.61	4 74	6.99	11.52	4.28	5.40	7.50	11.63	6.12	6.75	8.20	11.71
1895	3.45	4.51	6.61	10.91	4.08	5.13	7.11	11.06	5.80	6.40	7.80	11.18
Premium	21.49	28.11	39.55	60.72	31.83	38.34	48.52	66.69	50.53	52.47	57.32	70.51
1896	4.34	5.75	8.29	12.85	6.24	7.63	9.86	13.77	9.68	10.20	11.42	14.37
1897	4 07	5.37	7.72	12.01	5.79	7.07	9.15	12.87	8.90	9.40	10.57	13.42
1898	3.80	5.00	7.16	11.17	5.34	6.52	8.45	11.95	8.15	8.62	9.73	12.45
1899	3.53	4.63	6.61	10.34	4.91	5.98	7.76	11.04	7.40	7.86	8.90	11.51
1900	3.27	4.26	6.05	9.51	4.49	5.46	7.07	10.14	6.69	7.11	8.08	10.55
1901	3.03	3.91	5.51	8.68	4.06	4.95	6.39	9.23	5.98	6.38	7.28	9.59
1902	2.77	3.55	4.99	7.85	3.66	4.44	5.73	8.34	5.30	5.66	6.49	8.65
1903	2.61	3.31	4.61	7.27	3.37	4.07	5.25	7.68	4.77	5.12	5.90	7.95
1904	2.44	3.08	4.25	6.69	3.08	3.71	4.78	7.04	4.25	4.58	5.33	7.27
1905	2.29	2.85	3.89	6.11	2.80	3.36	4.32	6.40	3.75	4.07	4.76	6.60
1906	2.13	2.61	3.53	5.54	2.53	3.02	3.88	5.77	3.27	3.57	4.22	5.92

PHŒNIX MUTUAL LIFE INSURANCE COMPANY

Reserve Basis.—American 3% since 1900. Combined 4% 1891-1900. American 4½% prior.

Annual Dividends Per $1000 Paid in 1907

Year Policy Was Issued.	Ordinary Life. Age at Issue.				20-Payment Life. Age at Issue.				20-Year Endowment. Age at Issue.			
	25	35	45	55	25	35	45	55	25	35	45	55
Premium	21.02	27.54	38 83	59 88	30.77	37 16	47 19	65.12	48 33	50.38	55.32	68.43
1901*	3.67	4.94	7.03	10.67	4.45	5.71	7.73	11.11	5.88	6.78	8.39	11.39
1902	3.52	4.72	6.71	10.21	4.14	5.33	7.26	10.56	5.28	6.18	7.79	10.78
1903	3.38	4 51	6.40	9.76	3.84	4.96	6.81	10 02	4.71	5.61	7.20	10.19
1904	3.24	4.30	6.09	9.32	3.56	4.61	6.37	9.49	4.15	5.05	6.64	9 60
1905	2.98	3.93	5.53	8.49	3.06	4.01	5.62	8.54	3.24	4.13	5.69	8.57
1906	2.74	3.59	5.04	7 74	2.64	3.49	4.97	7.69	2.49	3.37	4.89	7.66
	Age at Issue.				Age at Issue.				Age at Issue.			
	30	40	50	60	30	40	50	60	30	40	50	60
Premium	23.86	32.36	47.68	76.94	33.65	41.54	54.73	79.85	49.16	52.27	60.33	81.27
1901*	4.21	5 83	8.60	13.43	5.01	6.60	9.18	13.68	6.27	7.47	9.65	13.80
1902	4.04	5.57	8.22	12.90	4.67	6.18	8.68	13.10	5.67	6.87	9.05	13.19
1903	3.86	5.31	7.84	12.38	4.34	5.70	8 18	12.52	5.09	6.29	8.46	12.58
1904	3.69	5.06	7.46	11.85	4.02	5.38	6.79	11.94	4.54	5.73	7.88	11.98
1905	3.38	4.60	6.79	10.84	3.48	4.70	6.85	10.87	3.62	4.80	6.90	10.87
1906	3.10	4.20	6.18	9.90	3.01	4.13	6.11	9.87	2.87	4.03	6.06	9.85

* Reserve basis changed to 3%.

The true history of American Life Insurance can never be written. The man of statistical turn of mind may compile its transactions, showing income and disbursements for a given period of time, but it is beyond the ken of any man to trace the dollars as they flow bountifully from the treasuries of American life insurance companies. In its beneficence it here saves a home from the sheriff's hammer, there educates a child, thus equipping it for the battles of life; and here, again, provides shelter for some invalid widow and mother from the storms and vicissitudes of penury and woe. The child saved from poverty and ignorance may in future years shape the destiny of a nation and build large for generations yet unborn. A Lincoln may be raised up from some humble home, nurtured by the stream of money as it flows from some life insurance company, which, like a mountain stream, beautifies and enriches every life it touches.—W. H. Reed.

THE SPECTATOR

A WEEKLY REVIEW OF INSURANCE.

FORTNIGHTLY LIFE INSURANCE SUPPLEMENT

Devoted to Life Insurance and the General Interests of Life Underwriting, Comments on Current Events, Suggestions and Hints for Field Workers, Technical Matters for Home Office Consideration, and Information as to What is Going On in Office and Field

ISSUED EVERY OTHER THURSDAY AS A SUPPLEMENT TO THE SPECTATOR.

New York, Thursday, November 7, 1907.

COMMISSIONS OR SALARIES.

[Contributed.]

The recent legislation in New York has caused the question of commissions or salaries for general agents and solicitors of life insurance companies to assume much importance.

At the outset, in any such discussion, it is perhaps well to consider briefly the history of the matter. When life insurance was a new business in this country, it was natural that those employed in the home office should solicit applications. Even officers made personal solicitation for business. And the general agent was frequently a home-office employee. But as time passed, the development of the business presented difficulties as to new territory, far from the home office, to be managed, new agencies to be established; and these difficulties were met by giving commissions to general agents and to solicitors. Agency advances are nothing but payments of commissions on business not yet delivered. Advances would be inexcusable were it not true that an agent must be provided with support in order that he may not starve before he can obtain business. But such advances are necessary to the business. They are in the nature of salaries, which, if not earned, will be charged against the agent. Of course, mere advances may not be paid. It is one of the chances of the business. It is as true of salaries as of advances. There is no argument that can be made against advances that will not apply in a greater degree to salaries.

It must not be supposed that life insurance companies, as a rule, are different from other corporations, or, in fact, mercantile houses. The company will buy its business, if allowed to do so, in the most economical manner. It is always a struggle between the company and the agent. The company is always striving to get its business cheaply, and the agent is always striving to obtain a greater compensation for his efforts. This results that the company, for the most part, pays just about what the business is worth. It is true, also, that the business is worth, that is, it has an actual value, greater in some companies than in others. It therefore follows that the commissions or compensation to the agent will not be the same in all companies, unless, of course, that the compensation is fixed by law.

With these remarks as a preface, let us examine the conditions that create business for a life insurance company, and the logical way in which the company should pay for this business.

The obtaining of business can be done in three ways, and it is hard to understand any other ways in which applications can be obtained. The company can advertise in papers and periodicals, expecting that those who see the advertisements will come to the office, or will send their applications by mail. This method has been proved, time and again, to be enormously expensive, and in nearly every case quite futile. The company can also send written or printed circulars to those who are thought possible applicants. This plan, again, has been proved of little value. It is not as expensive as advertising, but leads to almost no result. And, lastly, the company can employ solicitors to use their personal efforts to secure applications. There are good reasons why the latter method is the only one that is ever really successful. Even among educated persons the thought of death is pushed from the mind. Unless he is really dying, no man expects to die. Even then, in most cases, the event seems far away. The very nature of mankind prevents thoughts of personal death. And life insurance is interesting only to those who think they may die. It therefore follows that a certain inducement, brought by personal solicitation, must be made to obtain an application for life insurance.

Granting, therefore, that life insurance must be sold by personal solicitation, it is necessary to obtain solicitors. Now these solicitors are not obtained in the same manner as workers in other lines. The life insurance solicitor is often created by accident or misfortune, or are men who, trained as salesmen in commercial business, are induced to try their hands at this work. They must be salesmen of a good order of merit to sell life insurance. And it is very seldom that men without preliminary training as salesmen succeed as solicitors. Nothing is so hard as to sell a man what he does not want. And most men do not want life insurance.

We have therefore seen that the business must be obtained by personal solicitation, and that a company must have solicitors. If the company takes upon itself the search for, and training of, solicitors, it must have men to do the work. And as this effort is not to be confined to the home city of the company, it must have representatives in many parts of the country wherein it desires to obtain business. It may, it is true, have men who visit localities away from the home office and do not reside there. But this can never be very satisfactory. Men who live in a place will know the local conditions far better than a visitor. And knowledge of local available material from which solicitors can be trained counts for everything. From this it follows that the general agent must live in the locality from which the company wishes to get business.

The Method of Compensation.

Taking all that has been said into account, we are now ready to consider the method by which the solicitor and the general agent are to be paid.

The experience of mankind through the centuries has determined how the producer is to be compensated. The farmer, even when he rents a farm, is paid by the community in proportion to what he produces. If you owned a farm you would never dream of paying the farmer a salary; you would have him work the farm "on shares." No writer of fiction is paid a fixed stipend per week or month. Everywhere and in all lines of human toil, the producer, when by conditions he is not under the eye of a master, is paid in proportion to what he produces. Now by the very nature of the work, the solicitor is not under the eye of his superior. It is out of regular "office hours" that a solicitor frequently makes an acquaintance that will sometime become an applicant. He meets a neighbor at a social gathering, impressing his personality he eventually secures an application. He is an original producer. The experience of mankind has determined how he should be paid. He should be paid a commission, and nothing more, if we would make the best use of his abilities. Any other method of compensation, being contrary to the accumulated knowledge of mankind will be costly, and in the end will injure the solicitor as a productive worker. Even if we should admit that a sal-

aried arrangement is the best, how is it possible to agree as to the amount to be fixed as a salary? If the salary is based upon a certain volume of business, it is really a commission and nothing else. If it is a salary, pure and simple, then the agent or the company will be dissatisfied. If the agent really earns more than his salary, he will, in the end, either leave the company or induce it to pay him more; which increase may never be again earned. If the company, at the start, pays him more than he earns, it will be dissatisfied and his actual productive power will be injured; for nothing injures a worker more than to receive what he does not earn.

As to the general agent, he, toó, is an original producer, and cannot be under the eye of his superiors. In the by-ways and hedges, at all hours of day, and even at night, he is looking for solicitors. A chance meeting on a fishing trip may be the means of introducing him to the man he wants. No one can tell just how he is to go to work to gain solicitors. No rules can make him succeed, and to no one can he charge a failure. He must be for and by himself the final authority as to whom he will or will not employ. Unless he has this responsibility, he can justly throw the burden of his failure on others. He must handle his own money, if it is to be handled with that degree of skill which will bring business economically to his company. As in the case of the solicitor, he or the company will be dissatisfied if he is paid a salary.

To sum the whole matter: The production of applications for life insurance should be paid for in the same manner as other original productions are paid for. The general agent and the solicitor should be paid a commission on what they produce. They should receive their share and nothing more. The farm of life insurance can be worked in no other manner, and nothing will so tend to decrease the crops than to pay a fixed compensation to those toiling in the fields.

"Cheap life insurance" is the insurance that, when age comes or death knocks at the door, has nothing to pay and nothing to say to the summons but charity for the family and insolvency for the estate. It is men who know nothing and do not try to know anything about the business of life insurance who fill the world with the most vociferous harangues about "cheap life insurance."

PUTTING COMPETITORS TO WORK.

By a Western Agent.

Fearing that my personal experiences and the illustrations drawn from them might come to have a kind of sameness, I drew one of our agents aside the other day and asked him to describe the most interesting struggle he had ever had to secure an application.

"I can give you a dandy," he said, "but it would not help anyone but an agent of this company."

"Never mind," I replied, "tell the story and I will undertake to draw some general lessons from it."

"The most exciting adventure I ever had," he began, "was with the president of the ——— National Bank. I managed to get into his cage one day and ran over a few documents and a statement with him. He was not particularly agitated by the facts I brought out, but manifested an encouraging interest under the circumstances. He invited me to call again, and as he already carried a policy in my company and was a man who could not be hurried, I decided that I would postpone trying to write the application. Two or three weeks passed and I called again. We went over some more documents and he gave me the same attention and treated me with his customary courtesy; but he had not grown any and again he suggested that I call later. Again I decided to possess my soul in patience. More time passed and I interviewed him once again. It was practically a repetition of the first two interviews. His interest in life insurance reached a certain point and then remained stationary. I grew a bit reckless and determined to hasten the process or destroy it.

"Mr. President, I demanded, what's the trouble here? We are making no progress at all. Now are we just killing time or talking business? If you don't want any more insurance just now, say so, and if you are serious, tell me why we make no headway."

"'Well, Mr. Patson,' he replied, 'I haven't exactly decided, but I think I will take another policy. First, however, I want to make a few investigations in my own way and then I will let you know my decision. Call again in three or four weeks.'

"Generally no insurance agent expects more definite encouragement than this, and I allowed him to have his way. In about thirty days I appeared at his office again, but he had done nothing. The investigations were still to be undertaken, and again I was able to restrain my impatience. I waited another month and again approached him, but it was the same old story. This time I came near losing my temper and only controlled myself by a supreme effort. Was the man trifling with me or was he naturally slow? I determined to find out speedily. By a series of careful questions I learned the names of three companies that he would be most likely to wish to figure with and then I called upon an intimate friend.

"'Jones,' I said, 'will you do me a favor?'

"'Sure I will,' he replied. 'What is it?'

"'I want you to call up the agents of the Dash, the Blank and the Blankety-Blank companies and tell them that the president of the ——— National Bank is going to take out a $10,000 policy.'

"'Man alive, they will go right after him won't they?'

"'Of course they will. That's what I want them to do. You see he pretends that he wants to investigate these companies and I am going to make sure that he does. Do you grasp the situation? However, don't let me be known in the matter.'

"He followed my instructions and for the next week the president held daily receptions for insurance solicitors. My local competitors gave but a part of their time to soliciting and felt unable to handle a large case. They immediately telegraphed to headquarters for help and three State managers soon arrived upon the scene. The president was fairly bombarded with information and investigated until his brain reeled. He received a number of unique rebate propositions and might have gotten one year's insurance for almost nothing, but when the investigations were about ended and I dropped around opportunely he gave me his application in five minutes. He then told me about the seances which he had gone through with and informed me that I had the best company in the United States, and that he had arrived at this conclusion after having quietly investigated my company for several months. I was a bit skeptical about his quiet investigations, but did not show it. I thought it a good policy to expose my stratagem, however, and he was surprised and greatly amused with my plan for making use of my competitors. He told me that I was the nerviest and most original solicitor that he had ever met, and of course I was pleased with the compliment."

Competition is Not Dangerous.

In telling this story Patson's satisfaction with himself and his company was so great that it was impossible for him to understand how his example might be of benefit to other solicitors. Only an agent working for the "best" company could afford to invite such strenuous competition was his view of the matter, but as there are a great many "best" companies writing business throughout the United States, I see no objection to the plan on that score. Its greatest defect, if my observation may be trusted, is that it is considerably in advance of present human nature. Most men, whether selling life insurance, raising cotton or refining oil, are victims of the superstition that competition is dangerous to the individual and should be avoided at all costs. A life insurance solicitor in particular, and perhaps I had better say that I mean almost the whole class of solicitors, would regard it as the wildest kind of folly to invite rival agents to join in a case. Under certain conditions it would be a mistake to invite competition. To use an expression which has become familiar in connection with all physical contests, competition when one is outclassed is folly. If age, energy and lack of experience permit me to jump no further than a distance of three feet, I should be an ass to try my skill or lack of it with the champion jumper of the country. If I weighed 200 pounds it would be ridiculous for me to enter a running contest. If I have been soliciting for ten years and have never been able to report more than $100,000 in new business in a single year, I should have but little chance to win in competition with a half-million dollar writer, and before inviting such handicaps one should reserve a room in the poorhouse. Perhaps it is not in the interest of clearness to refine words too much, but is there any real competition in an unequal struggle? I should say there is not, and I should be the last person

to invite handicaps, or even to accept them when I could not avoid them. If I worked for a small company only a few years old, and some star writer for the giant companies undertook to capture my $5000 prospect, I believe I should withdraw at once in his favor. I believe that I have a good working knowledge of my limitations, and I would never enter into competition unless on something like equality with my competitor.

Suppose, however, that I have often interviewed a prospect and have found him very much like a clod. He listens apathetically to my liveliest illustrations and is never stimulated to the point of asking a question. It seems almost impossible to interest him in life insurance, and in my most reckless building of air castles I find it difficult to look upon him as an asset. Would I risk losing anything if half a dozen competitors, say of my own class, took a sudden notion to attack him some day? Until I have tangible evidence that he is favorable to me or my company he is anybody's prospect, and so long as he is uninterested in life insurance, he is nobody's prospect. Since I have taken pains to make myself, my company and my company's contracts clear to him during a period of months or years is it not probable that if his lethargy is ever once broken I shall have an advantage in spite of my competitors? In the case of such an apparently hopeless prospect, then, would it not be an admirable arrangement if myself and half a dozen competitors could agree upon a united assault? I am assuming now that my competitors are fair-minded and honorable men, and that they are not so much my superior in ability that I should have no hope of winning. In this kind of competition the arrangement might be that the solicitor who wrote the application should be entitled to the business, but if I were compelled to join frequently with my rivals, and it became apparent that one solicitor profited more than another by the co-operative plan, an arrangement could be made whereby the profits could be distributed. I happen to know of one manager whose company does not accept female risks. When he writes a woman, as he sometimes does, he exchanges with a friendly competitor who must give him a male risk in return. If agents of five or six different companies often cooperated together in the way I have described they could easily exchange applications so that the profits would be nearly equal.

Planting the Seed of Co-operation.

Of course I know that agency departments, managers and general agents, and even 99 out of every 100 ordinary solicitors are not as yet prepared for any such co-operative scheme. There are a few well-established companies that have age, experience or superior business ability working in their favor, and they will talk "the best" company and make their canvass without fear or favor for some hundreds of years yet, unless some radical changes should occur in social conditions; but I am writing this article to show how competition may be made helpful instead of injurious to insurance solicitors, and I need not be restrained because I am in advance of the times. Perhaps the seed I am sowing may strike a little patch of ground here or there and produce a harvest in the time to come.

In any event, if any particular solicitor should find himself possessed of the names of half a dozen almost hopeless prospects of the kind I have described I cannot see that it would be any violation of good morals if he should allow some discreet hint of his movements to reach his competitors so that he might have the help of their labors.

That the kind of competition or co-operation that I have been writing about is effective is so well-established as to be described in scientific text-books. Certain responses of the mind suggest that it is controlled by laws very similar to those that control matter. One man by great exertion can roll a piano along a smooth floor, but he cannot carry it up a flight of stairs. Four men who are accustomed to lifting can get a piano up stairs, and six or eight men with a piece of machinery can make play out of the work. A man may easily resist the importunities of one solicitor when he will succumb to the successive attacks of five or six. In all large cities where sums of money are pledged for benevolent purposes by the so-called whirl-wind canvass, many men fall victims because the newspapers, the ministers, and an army of temporary solicitors are pleading for the cause. A psychologist has said, "Street hawkers often arrange themselves in a line on the sidewalk, and the passer often buys from the last one of them, through the effect of the reiterated solicitation, what he refused to buy from the first in the row." If common street fakirs are shrewd enough to turn competition to profit, the problem ought not to be difficult for intelligent life insurance solicitors.

HINTS ON SEEING PROSPECTS.

It is a good rule for a solicitor to rely on his own unaided efforts as much as possible in overcoming the prospect's objection to seeing him. Then when he does see him, he will understand that he has accomplished his object by sheer determination, and he will be likely to think well of his strength of purpose. The prospect may say to himself: "Here's a young man who means business, and his pluck and perseverance are admirable." Such an attitude is auspicious, and the chances are that he would rather think well of his proposition than to decide against it.

* * * * *

It is dangerous, besides being unprincipled, to use deception in obtaining a hearing with a prospect. But an unlimited amount of nerve is permissible, and seldom gives offense if the man who uses it does not forget good manners. The man who never learned to discriminate between "nerve" and "brassiness" lacks the most essential quality in a salesman—common sense.

Such a man, when he is told that he can not see a prospect, usually raises his voice and tries bullying the information clerk or office boy—and their resentment makes them all the more determined in opposing him. Furthermore, he is likely to be overheard by someone in authority, and reported to the very man he wishes to see.

* * * * *

Agents who wait—and wait in prospect's offices—for a chance to state their business can not be numbered among those who are successes, however exemplary their intentions may be.

There is something for every man to do when he is denied admittance to a busy man's sanctum besides indefinitely, futilely waiting. If he has a specific promise that at the end of a certain reasonable period of waiting he will be given an interview, that is a different matter.

This refers to the times when the prospect gives no assurance that waiting will be worth while. At such times the solicitor who lets himself be side-tracked on the visitor's bench—there to remain an indefinite number of half hours, with a very lively probability that his prospect will overlook him altogether, or perhaps escape by a side door—is doing himself a rank injustice, and bringing disgrace to his calling. An aggressive man, and one no less tactful than he is aggressive, will find some way to bring his business to an immediate issue. There are innumerable ingenious ways of obtaining interviews when the prospect is reported to be busy, when he is manifestly indifferent and hedged around with employees whose business it is to keep the representative "at a distance."

* * * * *

Several hundred years ago the poet Milton wrote a line of verse that has rung down through the ages: "They also serve who only stand and wait."

From an agent's point of view this is almost funny. Where applications are to be wrested away from competitors and wrung from dilatory prospects, there can be no "standing and waiting."

The man who "only stands and waits" seldom is in the business long.

And yet there are a good many well-meaning men, sincerely believing that they are proper exemplars of their craft, who are more proficient in "standing and waiting" than they are when it comes to forcing their way into a prospect's presence—to making him listen to their selling talk in spite of his reluctance and crabbedness.

At the end of a day they will tell, in all seriousness, that they had a strenuous day of it. Ask them how many applications they have taken and they will answer that, "of course they didn't actually take any applications, but that they called at any number of places—waited interminably for this prospect or that in order to obtain an interview—harangued innumerable functionaries with a view to impressing the latter with the urgency of their business.

Ask them to tell whom they called on, and what they said to each, and what reason was given for not doing business, and they will say that, perhaps, 75 per cent of the prospects they called on "were too busy to see them."

LIFE INSURANCE THE BEST TRUST DEPOSIT.

When one of the largest and most popular trust companies was forced to suspend recently, because of the run made upon it by thousands of frightened depositors, among the fortunate ones who succeeded in withdrawing his money was a well dressed, prosperous looking man. As he folded the crisp bills and put them in his pocket, he remarked to an acquaintance: "This $10,000 is all that stands between my daughters and abject poverty in case of my death." In reply to inquiries he stated that he was formerly in a lucrative business and had acquired a competence. Through adverse circumstances he had lost his business and all of his fortune. He had been fortunate in securing employment, and by the utmost economy had saved $10,000 for his two daughters. He expected to be able to support them comfortably while he lived, and his savings would take care of them for a time, at least, after he was dead. Had he lost this through the failure of the trust company he believed he would have gone crazy. How much better and more satisfactory it would have been had he used his savings in purchasing life insurance in some trustworthy company. With a policy on his life he would have been spared all anxiety and worry for the future of his loved ones. He would have been protected by the millions of assets owned by the company, and would have had no fears of its being subjected to a "run" by frightened patrons, or affected by financial disturbances in Wall Street or elsewhere. There is nothing so effectual in bringing peace of mind and satisfaction to its owner as a policy of life insurance.

SECOND SUPPLEMENT TO THE HANDY GUIDE FOR 1907.

New policy forms, premium rates and surrender values for a number of companies are included in the second supplement to the 1907 edition of The Handy Guide to Premium Rates, Applications and Policies, which has just been issued by The Spectator Company. This supplement gives the new premiums and policy form of the Equitable Life of Iowa, which went on a 3½ per cent reserve basis October 21; the new rates and values on a 3 per cent basis of the Massachusetts Mutual, effective October 1; new rates of the Royal Union Mutual, and the Southwestern Life of Dallas, Tex., both of which companies are now on a 3½ per cent basis, and a new policy form of the Illinois Life. This supplement brings up to date the variety of information found in The Handy Guide for 1907, and the first supplement thereto, and is needed by every active agent. Deliveries of the second supplement are now being made to subscribers to the annual set. Copies can be furnished to purchasers of The Handy Guide for 1907 at 25 cents each, or 75 cents for the three, the last of which will be issued early in January. The price of each supplement to non-subscribers to the current edition of The Handy Guide is 50 cents. All orders must be addressed to The Spectator Company, 135 William street, New York.

COMING TO A DECISION.

Recently several life agents, representing as many different companies, were working upon a prospect who was inclined to take out insurance, but who was uncertain which company to select. He could not go into all of them at once, and, as he had the highest regard for the ability and integrity of the several agents, he decided upon a novel plan.

He had given audiences to them all, but he found difficulty in carrying the different propositions in mind and in separating and arranging them clearly enough to satisfy him in making a choice.

So he proposed that, on a certain day and hour, all the agents should visit him, and one after another present his case in "open court," he sitting as judge, to render his decision in favor of the agent who, as it appeared to him, had the best proposition and had made out the best case. This plan was carried out, and the decision was rendered in accordance with the provisions thereof.

Widow—Is that the wolf at the door?

Daughter—No; it is the man with the life insurance money.

Widow—Thank God.

Daughter—And the insurance agent.—"Life Insurance Sayings."

HINTS TO LIFE AGENTS.

Don't talk too much—be brief and explicit. When you talk, talk at something and hit it. Pungent words cannot be resisted, and words are pungent in proportion to their fitness to the point. General remarks may convince a man, but they rarely cause him to act. After you have convinced a man, all your tact will be required to change his assent to action. Excessive hammering destroys the temper of the irou—if you talk too much you will lose your mau. But your object is to secure the application and the premium. It is a nice poiut to discern when one has talked enough, but the successful agent does it, aud herein lies one of the secrets of his power. Some of the best canvassers we know are not great talkers, but they know what to say, and how and when to say it.

Get your candidate interested in the subject of life insurance. Let him ask questions. If you can make him lead off, you have secured half a success already. Lead him while he thinks he is leading you. Compliment his sagacity. Excite his curiosity and make him want to see you again. Much of your success will depend upon interesting the man in yourself, your manner, and your company. Present an old subject in some new form. If you have a novel poiut, all the better; but keep up an interest, aud keep your patron busy investigating, or else talking. He will act quicker on his own arguments than on yours.

Avoid tedious figures and explanations. They confuse. They lead to postponement, to criticism, and lastly to iuaction. The most successful agents figure but very little, and never except when called upon to do so. A call for figures is a motion for delay. It is a waste of time, and rarely accomplishes good. Men who wish them are usually persons who want to make a big paying investment, and cannot appreciate the cost of the annual risk of death. Life insurance is not a largely profitable investment. It can never be till men stop dying early in life.

To show a man that he can make seven per cent on his money, and have his life insured besides, is to lie. Excessively favorable showings are detrimental to you and to your company. They create a presumption against you at once. Men must, on the average, pay in rather more than they will receive back again, else the company is rotten. Better impress your patron with the idea that he must pay for his insurauce; it is valuable and worth all it costs.

With every applicant, have an object. Avoid the confusion of the different plans. If you can judge of the circumstances of the party, select a plan for him which you think suitable, and press it. Introduce no other unless he calls for it, or else positively declines the one you have selected. One thing at a time is the winning idea. One plan at a time is enough.

Don't refer unnecessarily to other and rival companies—if questions are asked concerning them, answer them truthfully, and turn the inquirer's attention as soon as you can to the matter in hand, which is for him to insure in your company.

If you ask a man at random if he will take a policy of life insurance, he is sure to say no. The gate is always closed against the agent, and he must shake it aud work on till it swings open. There is no alternative. It will not do to be too violent; nevertheless, one must be vigorous, determined, and labor judiciously. You must create the demand you wish to supply; you must produce a sense of want, before you can supply it; you must excite the feeling of desirableness and excellence before your services will be employed. You must bear not only the loaf of bread, but you must make the man hungry.

Finish your work. If you have made a good impression, follow it up. It is not enough to make the party believe in life insurance—not enough to convince him that it is a good thing. It must be good for him. He must not only believe, but illustrate and realize. He must insure. It is your business to be efficient at this crisis. All preliminary work is nothing if you fail here. It matters not to you what one believes or thinks about life insurance. Your work is to make him insure. You are to get the application and the premium. This is your aim, and in it alone your success. Remember, that failure to get the premium is failure in all.—Travelers Agents Record.

NATIONAL LIFE INSURANCE COMPANY OF VERMONT

RESERVE BASIS—American 3%

ANNUAL DIVIDENDS PAID IN 1907

Year Policy Was Issued.	Ordinary Life.				20-Payment Life.				20-Year Endowment.			
	Age at Issue.				Age at Issue.				Age at Issue.			
	25	35	45	55	25	35	45	55	25	35	45	55
Premium	20.95	27.41	38.56	59.20	30.92	37.27	47.21	64.96	48.95	50.90	55.70	68.96
1901	3.51	4.29	5.68	8.47	4.02	4.82	6.19	8.88	5.68	6.05	6.91	9.15
1904	3.38	3.99	5.08	7.51	3.53	4.16	5.29	7.76	4.53	4.91	5.73	7.92
1905	3.35	3.91	4.90	7.17	3.38	3 97	5.02	7.38	4.19	4.56	5 37	7.52
1906	....	....	....	....	....	....	....	....	....	....	...	...
	Age at Issue.				Age at Issue.				Age at Issue.			
	30	40	50	60	30	40	50	60	30	40	50	60
Premium	23.77	32.18	47.27	75.75	33.78	41.62	54.69	79.52	49.74	52.72	50.63	81.40
1901	3.85	4.86	6.85	10.77	4 36	5 39	7.31	11.12	5.82	6.37	7.79	11.23
1904	3.65	4.44	6.06	9.67	3.80	4.63	6.27	9.92	4.68	5.23	6.57	10.02
1905	3.59	4.31	5.79	9.28	3.64	4 41	5.94	9.54	4.34	4.88	6.19	9.58
1906	....	....	....	....	....	....	....	....	....	....	....	...

1902–1903 issues on 5-Year Distribution plan.

THE SPECTATOR

A WEEKLY REVIEW OF INSURANCE.

FORTNIGHTLY LIFE INSURANCE SUPPLEMENT

Devoted to Life Insurance and the General Interests of Life Underwriting, Comments on Current Events, Suggestions and Hints for Field Workers, Technical Matters for Home Office Consideration, and Information as to What is Going On in Office and Field

ISSUED EVERY OTHER THURSDAY AS A SUPPLEMENT TO THE SPECTATOR.

New York, Thursday, November 21, 1907.

THE DANGER OF SHORTENING A PROCESS.

By a Western Agent.

One of the greatest American vices, at least, and one which is especially likely to overtake a solicitor, is the lust for quick success. He has hardly become familiar with the technique of his calling and learned to write an application until he receives letters from his general agent and copies of letters from the agency department of his company urging him to strenuous exertions. "We must make a gain this year," these letters declare, "and to do this everyone who carries a rate book must do his part. We are slightly behind just at present, and we must remove this handicap at once or it will grow larger. How much business will you guarantee for the month?" He is not permitted to be modest in his reply to such a letter, if he makes one. If he expresses a hope that he may write so many applications or thinks he may write a certain amount of business he is immediately informed that he has placed a psychological obstacle in his road, and that to remove it he must unqualifiedly promise himself and his superiors to write a definite amount. He may never reach the point of doing so, but these appeals continue to arrive and they have the effect of a goad. By-and-bye he begins to feel that he may interpret his company's exhortations in the language of the Jew who gave his son some advice upon starting out in life: "Ikey," urged the father, "get money. Get it honestly if you can, but get it." The company's importunities and his own necessities ultimately incline him to feel that he should get business by any method so that he gets it. As a result, he becomes almost a monomaniac on the subject of writing applications. He forgets that he has any moral standard of his own to respect, forgets that he owes any duty to society, that life insurance serves any high purpose, and his ruling passion is to obtain signatures on the dotted line. Rebates, extravagant estimates, special dividends, twisting and misrepresentation by inuendoes and vagueness of statement become as nothing to him. .Anything that will hasten the maturity of applications, so long as it is not illegal, will be received by him with a hearty welcome and without close scrutiny.

Of course, the preceding statements do not apply universally. There are large numbers of painstaking and conscientious solicitors, and it would be difficult to say how large a per cent of professional life insurance men have fallen a victim to the spirit of the times and get their business by careless methods. It would be useless to denounce these men as immoral, and this article is written to show that such methods are followed at a cost, and that they do not pay. If anyone hails from that skeptical Western State known as Missouri, he may possess his soul in patience while he is "shown."

A very slight study of the universe reveals the fact that every process requires time. It is asserted as a probability that a million years elapsed between the time that the first spark of intellect appeared in man and the time when he could write history and preserve records. The attempt to shorten any natural process is usually disastrous. The gambler tries to shorten the ordinary normal process of obtaining money. Grant that he loves the excitement and that he plays as fiercely when he is losing as when he is winning, it yet remains that he will not play without something is at stake. Upon some "lucky" occasion, as he would describe it, he may win $10,000 in one night, a sum which he is incapable of earning by legitimate talents in twenty years. He has shortened the process of earning money until it bears not the slightest resemblance to ordinary cause and effect and is on a par with the miraculous. He has done this in a world of law, of regular processes which require time for their completion, and he has accomplished it with a quality of intellect which would not arouse the envy of a child ten years old. With no normal tastes or talents, with no patience to get through with time, what is left to the victim of such an appetite but to keep up the frenzy of gambling? If the winnings of one hour may supply his necessities for a year can he ever again submit to the laborious routine of eight hours a day?

Stealing and drinking are merely attempts to shorten natural processes. Legitimate success produces an elation of mind that is equivalent to intoxication; but it cannot be achieved every day and it cannot be forced. The drunkard and the thief cannot wait for it but must induce it artificially, and they have nothing to live for but abnormal excitement and beastly stupefaction.

Convince the Prospect of His Need.

The attempt to hurry a man into applying for life insurance by the promise of a bribe, by appealing to his inexperience or credulity, or by extravagant promises when he has but little knowledge of what he is buying or direct interest in it, is an attempt to shorten a process. Almost any man is surrounded by conditions which justify more or less life insurance. The function of the agent is to show what life insurance is and to convince the prospect that his needs demand it. How many do this in one interview or in twenty, in one hour or in one year, but it cannot be said that he has sold life insurance if he has not convinced the prospect and made it clear to him as to what he is buying. Just as some men keep themselves perpetually entangled because of an excess of generosity, so it is that some men have a fondness for praise and can be flattered into joining almost any enterprise. With either weakness a man may be a good subject for life insurance, but he ought to be solicited and convinced by reasons rather than entrapped through his failing. He may be so hopelessly ignorant of investments as to yield upon the mere mention of the word "bargain," or be inveigled by a wild estimate. In either event, he does not know what he is doing, and unless he acts upon the clearest understanding of which he is capable, he wrongs himself and the agent by signing an application.

But the greatest injury which follows the method of obtaining applications without due process falls upon the agent. Many persons who take insurance for foolish reasons or no reasons, or through the promise of impossible profits, ultimately learn by experience that they have bought something that is good and useful and they have their compensation; but the agent who secures his applications by the quickest method, by any method or no method, is following the hand-to-mouth principle, and he will be fortunate if he is not ultimately compelled to give up his calling. By his plan, if such it may be called, he not only never plants any seed from which to expect a harvest of

applications, but his very manner of obtaining applications unfits him for the normal and usual methods. If he obtains his business largely by rebates, by inducements, by questionable devices and quick processes, he will presently find it intolerable to go through the normal routine. Suppose that he is working for a company that in all essential features is as good as the best, and he is not hampered by lack of legitimate and forcible arguments with which to convince his prospect; but he chooses the quick process, the cut-rate method. He hears of a prospect who is considering a $50,000 policy and who is favorably inclined toward his company. Compelled by a slavery to his own practices and weakness he must scramble to write the application before a competitor appears. He cannot talk investment, protection against injury, bankruptcy, old age or death, but must immediately blurt out: "Well, business is business; you know your own affairs, you know what life insurance is, you know my company and you know me. This policy will cost you twenty-five cents on the dollar, so let's write the application and get through with it as quickly as possible." It is done, and in some cases he receives one or two hundred dollars for his work. Instead of being willing to exert a little energy during one, two or three interviews, he is willing to sacrifice from five hundred to one thousand dollars in commissions. He has not written an application in two or three months in spite of his quick process, and his desire to have "something doing" can no longer be restrained. Like any other habit, the habit of shortening processes grows upon him, and at last he is incapable of returning to regular processes. It is a well-known fact that many men can sell bargains and schemes who simply cannot sell staple goods in the ordinary way.

NORMAL PROCESS SLOW BUT SURE.

The normal process is slow but it is always sure, and it is the most rapid in the end. The solicitor who has put his head, his conscience and his energy into every application that he has written has finally a list of policyholders who have taken insurance because it is insurance. They have experienced its merits and they are not only a passive but an active advertisement for him. They will put in a plea for him and his company upon every occasion, and will be like so many disinterested solicitors at work for him. He will then reap the harvest from the seed sown long ago. The normal process is the only safe and profitable process to follow in the end, and the solicitor who never knows where the next application is coming from had better consider if he is not trying to reap before he sows.

The agent should know the value of a good personal appearance; do not think that any detail of your attire will escape notice.

HAVE CONFIDENCE IN YOURSELF.

How many agents fail because they do not recognize the value of self-advertisement? This does not mean that a man should be a boaster. Indeed, there is a great difference between letting the world know the value of one's services and claiming qualities that one does not possess.

Just as a merchant or manufacturer who misrepresents his goods, soon gets a bad reputation for truth and veracity, and with it a loss of prestige, which finally lands him in the bankruptcy court, so does the life insurance agent who misrepresents his ability, either to himself or to others, when trying to obtain an application, fail to impress the prospect favorably.

"If you have anything good let the public know it," the first rule of successful advertising is just as applicable to life insurance as to a brand of soap. When the agent presents his case he should not be afraid to utilize his own ideas; for if they are good they will impress the prospect. The agent should not be bold or "fresh," but he should stand up like a man and look the world straight in the eye. Let the prospect he is trying to impress see that he recognizes the fact that he, the agent, has a place in this world, and that he is not going to be cheated out of it.

A case in point which will illustrate: A young man was employed on the road by a small concern, but he did so well that he attracted the attention of the sales manager of a much larger house. He was asked to call on this gentleman and the manager made what he considered a liberal offer for his services. The young salesman, figuratively speaking, gave the laugh to the offer and demanded a sum which took the sales manager's breath away, almost.

"Why, that is more than some of our first-class men are getting," he said.

"I am a first-class man," retorted the young man. "That was proven by your making me an offer at all. If I can sell goods well enough for a small firm to attract your attention, I can sell goods backed by the prestige of your house, in a way that will make me worth what I ask. I know that I have the ability to do it and all I want is the chance."

Every man should be his own "booster" and should see that he is well fortified. But avoid making too much noise about it. It may attract attention to your shortcomings as well as to your abilities.

THE STIMULATION OF SUCCESS.

"A well-known literary man, whose name is familiar to magazine readers, tells me that nothing so aids in his success as meeting and associating with other and successful writers," said a life agent recently.

"It is always an inspiration to me," said the literary man, "to converse with other writers, hear them tell what they are doing, and how they are marketing their work. Almost invariably I go home with renewed enthusiasm, and usually I turn off several pieces of work that find ready acceptance. It may be that I have had to force myself to work, for weeks, with indifferent results in every way; but after an evening with another author, I seem to take new life and my brain works clearer. I don't exactly understand how it is, unless I am so constituted that I need just this sort of stimulation."

"And I have exactly the same experience," continued the life agent. "Association with other agents always puts new life into me; and after lunch, or an evening with a contemporary solicitor, I am almost sure to secure several applications. Somehow I seem to go at the work in a different way, with a sort of optimism which I cannot explain.

"I think I am so constituted that I need the stimulation of success, either that of someone else in my line, or of myself. I find that securing an application has the same effect upon me, and it is almost an invariable rule that, after a period of non-success, if I secure an application, I go at it with a different sort of determination, a sort of elation which is begotten of success and which begets success."

Above all things persistent application is necessary to success in life insurance.

CHEAP STOCKS VS. LIFE INSURANCE.

A popular and widely circulated weekly journal devoted a long article, in a recent issue, to the discussion of taxable and non-taxable stocks and bonds—one of the most intricate subjects known in connection with investments.

This treatise was written for the information and guidance of people in the investment of their savings. All of the stocks mentioned were gilt-edged, and all of the bonds were municipal and State, bearing a low rate of interest. The class of investors to which the article was directed is composed of the people who draw their savings from savings banks and buy cheap, twenty-five-cent stocks advertised by unscrupulous promoters in the daily papers.

This reputable publication would have been doing a much more charitable and creditable service to its readers if it had directed their attention to the best forms of life insurance with the best companies, thereby pointing out investments which not only yield the largest returns but which afford absolute protection, a short-cut to acquiring an adequate estate, and which are in all States non-taxable to the owners.

Make friends of those whom you call upon, and do not hesitate to call them by name if you know it; that is, surname, but be very guarded about getting familiar with given names.

PARTICIPATING AND NON-PARTICIPATING BUSINESS.

Owing to the enactment of laws in a number of States forbidding a life insurance company to transact both participating and non-participating insurance, some interest attaches to the volume of each class now in force. In the annual statements for 1906 the companies were required to show the amount of business in force on each plan, and the accompanying table has been made up from the reports. The business of the industrial companies is omitted, as a separation of ordinary from industrial business was not made, except in the case of the John Hancock, whose insurances are all participating. Only a fraction over eight per cent of the total business shown here is non-participating:

PARTICIPATING AND NON-PARTICIPATING INSURANCE IN FORCE.

NAME OF COMPANY.	Participating Business.	Rank.	Non-Participating Business.	Rank.
	$		$	
Ætna Life	225,040,666	7	36,322,318	8
American Central	19,301,570	40	24,000	49
American of Iowa	3,210,725	61	463	51
Baltimore Life	2,108,806	62	......	..
Bankers of Nebraska	19,038,297	41	257,500	39
Bankers of New York	14,138,793	48	239,761	40
Bankers Reserve	14,703,222	45	......	..
Berkshire Life	65,110,667	25	......	..
Central of Iowa	10,576,111	53	......	...
Citizens Life	17,277,250	43	......	..
Columbia Life	3,350,680	59	257,500	39
Connecticut General	13,981,527	49	19,683,569	11
Connecticut Mutual	159,528,132	13	12,173,024	16
Des Moines Life	24,027,684	34	25,500	48
Equitable of New York	1,277,776,548	3	95,222,373	3
Equitable of Iowa	30,151,944	31	722,375	33
Federal Life	13,421,202	50	780,387	31
Fidelity Mutual	118,143,518	15	......	..
Franklin Life	29,103,326	32	4,361,724	25
Germania Life	105,087,086	17	8,123,855	20
Guaranty Mutual	1,834,110	63	61,000	46
Hartford Life	10,752,207	52	46,300,478	7
Home Life	76,369,768	22	9,743,791	18
Illinois Life	38,928,323	28	4,496,523	24
Inter-State	9,710,859	54	103,500	43
John Hancock	167,069,389	12	......	..
Life Association	3,276,647	60	97,500	44
Manhattan Life	65,478,566	24	8,928,895	19
Maryland Life	8,067,476	56	929,027	30
Massachusetts Mutual	202,496,761	8	......	..
Michigan Mutual	22,698,079	36	27,042,005	9
Minnesota Mutual	21,545,432	37	960,517	29
Missouri State	14,500,670	47	621,567	35
Mutual Benefit	394,232,547	6	17,886,717	12
Mutual of New York	1,439,965,121	2	77,292,059	4
Mutual Reserve	21,443,187	38	58,964,233	5
National of United States	33,387,258	30	13,048,808	15
National of Vermont	122,327,142	14	26,470,645	10
New England	173,396,203	11	......	..
New York Life	1,901,634,033	1	127,971,685	2
Northwestern Mutual	806,383,884	4	496,125	36
Northwestern National	7,782,238	57	53,355	47
Pacific Mutual	82,009,546	19	15,059,874	13
Penn Mutual	396,319,522	5	......	..
Pittsburgh Life and Trust	28,255,232	33	2,222,851	27
Philadelphia Life	17,439,516	42	......	..
Phœnix Mutual	87,160,561	18	11,926,316	17
Postal Life	838,500	66	111,000	42
Presbyterian Ministers	11,311,352	51	......	..
Provident Life and Trust	182,601,367	10	78,000	45
Provident Savings	79,689,017	21	14,841,252	14
Register Life and Annuity	4,942,066	58	8,550	50
Reliance Life	9,216,396	55	1,689,522	28
Reserve Loan	14,631,621	46	......	..
Royal Union	15,811,810	44	235,229	41
Scandia Life	1,259,756	65	8,071,131	21
Security Mutual	51,042,299	27	......	..
State Life	80,290,360	20	757,500	32
State Mutual (Massachusetts)	114,003,913	16	4,744,267	23
State Mutual (Georgia)	23,891,180	35	481,000	37
Travelers	20,839,196	39	145,896,347	1
Union Central	189,198,214	9	52,943,501	6
Union Mutual	66,989,970	23	295,000	38
United States	34,129,562	29	3,166,575	26
Washington	54,934,094	26	6,098,189	22
Totals	9,275,162,704	..	868,288,883	..

ADDITIONAL INSURANCE TO COVER LOANS.

A policyholder in one of the old conservative companies recently applied for a loan of $1200 upon his policy, although the latter contained no provision for loans. Notwithstanding the fact that the application was made during the recent period of financial stress, the request was granted. The general agent wrote the insured that a check for the amount desired was awaiting him, and requested him to call for it. When the insured arrived the general agent suggested that he should take term insurance to cover the amount of the loan, so that in the event of his death before payment of the loan, his family would not suffer thereby. The insured saw the excellence of the hint and promptly applied for the insurance.

SAVING A COMPELLING FEATURE.

An agent recently told the writer about a client of his who, in discussing the present era of high prices and the cost of living, made the statement that during the past year he would not have been able to save a cent had it not been for the insurance that he carries. It has taken all his income to meet the increasing demands upon him, yet he kept up his insurance—something like $10,000—paying the premiums regularly. Without his insurance he would have saved nothing, for what he paid in premiums would have gone the way of all the rest of his limited income.

It is the compelling feature of life insurance which has kept this man in independence, so far as the future goes, and his mind at ease; and so it is with thousands of other men who owe their future and that of their families to the incomparable system of life insurance as a means of saving and a safe form of investment.

SOME FORTHCOMING CHANGES.

On January 1 the Home Life of New York will go on a three per cent reserve basis for new business, as also will the New England Mutual of Boston and the State Mutual of Worcester, Mass. On the same date the Columbian National of Boston will operate exclusively on a non-participating basis.

POLICY LOANS IN DEMAND.

One day last week The New York Tribune devoted nearly a column to the subject of loans by life insurance companies on their policies, using the following headlines: Big Insurance Loans; Policyholders Aided; Many Saved From Ruin by Millions at Five Per Cent. We reprint the article herewith, having corrected its errors in technology:

Interesting indications of how farreaching and how keen the need for ready money has been recently are to be found in the operations of the loan departments of the life insurance companies, particularly the large ones.

The value of a life insurance policy as an asset on which money can be raised quickly was never before so fully realized nor so largely taken advantage of as in the financial stringency which has not altogether passed away. In the last four weeks the insurance companies have lent millions of dollars on policies to men unable to raise money in any other way; and these loans, made at five per cent, would have cost the borrower, even on gilt-edged security, much more in the open market, while the companies could have obtained a better return on their money by investing it in other ways.

Many men, by their ability to get through a policy a loan of a few hundreds, or a few thousands, or many thousands, as the case may have been, have thereby been able to protect investments and savings of years and keep from financial ruin.

A significant fact about the records of the loan departments is that many men of large means have been borrowers, not infrequently up to the full loan value of their policies. One of the advantages of such loans is that they can be made quickly if the policy is in good standing. There are few policies issued by the large companies now which do not provide that the holder can borrow money on demand in accordance with a scale which is given in the policy.

One of the features of the present money stringency is that it has affected most heavily men of large means who have had their money tied up in large enterprises from which they could not realize at once. One man who came to an officer of a big company to borrow to the limit on one of the largest policies issued said he was worth $500,000, but could not raise a cent except on his life insurance. The Governor of an Eastern State, a man of wealth, has just called for a large loan on his policies.

The largest loan made, so far as known, was one of $90,000. The same company made a loan of $75,000, two loans of $60,000 each, and several of $50,000. The largest loan made on a single policy by another company was about $65,000, but a number of loans of $50,000 have been made by different companies. Loans of $25,000 have not been at all infrequent.

Most of the companies have largely increased their total number of loans in the last few weeks in comparison with similar periods before, but the one exception to this proves conclusively that the borrowing recently has been by men of large means, men who are carrying large policies. In this company the total number of loans for October were less than for September, but the total amount borrowed increased in the month by $1,100,000. The total amount of policy loans carried on November 1 was $63,000,000, many of which had been carried for some years. In the last year the company has increased its policy loans by $8,000,000 or $9,000,000.

Policy loans had been gradually increasing for several months up to the time of the suspension of the Knickerbocker Trust Company, but after that they took a sudden jump. In the week of this occurrence one company made 790 loans, aggregating $900,000. The following week it made 883 loans, aggregating $1,090,000. Last week the number began to drop off, and only 716 loans were made, aggregating $796,000; but it was a short week, the election cutting out a business day. While a year ago the company was getting only seventy-five or eighty applications for loans in a day, the applications have numbered from 150 to 175 a day in the last few weeks.

The extraordinary increase in the loan applications has pushed the

loan departments so hard that in one company they have had to draft clerks from other departments and work at night. Ordinarily when a man made a formal application for a loan in the morning, he was able to come around and get his check in the afternoon. On account of the great number of applications some of the applicants have had to wait longer than that for their money. Some of them, large policyholders in need of money at once, have asked that their loans be put through first, but every application has taken its proper turn. That the making of such loans is of the greatest benefit to the holder of a policy has been proved in the last few weeks. Probably the great majority of policyholders never realized before what a valuable asset they had for the raising of money in times of emergency. As a rule, in the past, the benefits of the loan clause have been taken advantage of largely by men of small means or of moderate means whose circumstances for some reason or other had been reduced. Recently, however, men rated broadly as of large fortune have turned to their policies for ready money.

The terms on which loans are made are nearly uniform in the large companies. The amount of the loan that may be obtained is based on what is known as the cash surrender value—that is, what the policy is actually worth to the company and what the company would pay in cash to the policyholder if he wished to give it up. In broad terms, it amounts to the cash reserve held against the policy. This, of course, varies according to the kind of policy, the age at which it was taken out and the time it has run. Take, for example, a twenty-payment life, one of the most popular forms of policy. On a policy for $100,000, taken out nine years ago at the age of thirty-five, the holder would have paid $33,600 in premiums. He would be able to borrow on this policy about $18,000. Of course, on a renewable term policy, which is one of the cheapest, where a great part of the premium is used in the actual insurance, the reserve and the loan obtained would be smaller.

THE LOCAL AGENT.

The following are extracts from an address by Sidney A. Foster, secretary of the Royal Union Mutual Life of Des Moines, at a convention of representatives of the company:

I wish to call your attention very seriously to what is termed the "local agent." You spend your money and your time to find in each community an available man to represent the company. You urge and you coach him, and you finally succeed in making a contract—a generous contract—such an one as you know, if the local man will give attention with energy and industry, he can make better wages every week than he has before made in a month. Sometimes I think you offer too much; in your desire for business, you give all there is in it. The contract is approved by the company, and the expense of an official certificate and supplies is borne by the company; this, added to your own expense, makes a considerable item.

Now, what do you get for it? In most instances, neglect and indifference—nothing. Then, after writing and urging action, you conclude to make a personal visit, at your own personal expense for railway and hotels. The local agent scratches his head, and then tries to think of someone to interview. In a majority of times, he has not done a bit of canvassing, until he sees you arrive in town; then, instead of taking you to a prospect that he is reasonably sure of securing, he steers you up against the man he dare not solicit; you do the work, and, if successful, give the local agent the commission, hoping it will spur him to action. You leave town while he is full of promises, but in most instances, the local agent goes to sleep again and awakens not until your next appearance. You do all the work, and, with the company, pay all the expenses, while the local agent gets all the profits.

I have sometimes written letters to these "local agents," enclosing a stamped envelope for reply to the home office, and many times had no response whatever.

Now, gentlemen, this must in some way cease. If, on a trial, the local man will not do some hustling, show within thirty days some evidence of the wisdom of your designation in naming him to represent the company in the local community, you must take up his supplies, and the local man must admit himself a failure—not because he lacked the ability, but because he lacked the industry.

This leads me to another point to consider and commend to you. It is not the company that sells the insurance, but it is the man who carries the rate book and uses it with energy and enthusiasm. It's the man. * * *

Sometimes the man sells an article that is way below the standard; he goes through a community like a prairie fire—takes everything in sight. It is the man. He may have nothing good to the purchaser, but he makes the purchaser believe, by his personality and by his industry, in himself, instead of the article offered for sale. He goes at his work with ginger—a confidence that makes the purchaser feel satisfied, and pounds away and wins. He sells shoddy at higher than broadcloth prices. Why? Because he works with but one aim in view—success. This class of men get bigger pay for selling a shoddy article, than you can get for the real stuff, because the money he collects is not put into the quality of the goods, but goes to compensate the sale. Certainly, if it goes into the expense of the sale, it cannot go into the quality of the article sold. This man is sometimes called a "fakir" and his article called a fraud, after the sale is made, and it is too often the case that people who have been faked by the energy of the smooth-spoken salesman, declare against all salesmen in the same line.

When this is the case, it is for you to insist persistently on an opportunity to show your credentials of good faith, good conduct and square dealing—not with the expectation of immediate results, but to overcome a prejudice, based upon a former deception, and right yourself in the eyes of those who have been deceived. Later, this will bear fruit. Do not do this by attacking the "fake," for that condemns the intelligence and judgment of the one deceived; but you can show the superiority of your own plans, methods and management, and the plans, methods and management of your own company.

I will say this: There are just as honest, upright and reliable men selling life insurance, as can be found among bankers, merchants, lawyers or doctors. The first and final ambition of man is to find employment—employment that is remunerative; work—work that is remunerative, and gives the best return for the effort made. No field offers to-day a better opportunity for employment and success than the life insurance field affords. It is not the field, however, for the drone, nor the lazy man. It is a field of work—hard work. It is a highly honorable calling. It is delivering to every purchaser a deed to an estate in fee simple—a warranty, flawless deed. It is not speculation—it is property; the amount is fixed entirely by the determination of the purchaser, but its value is not possible to discount nor is it possible for it to fluctuate.

The thing you wish to possess is the ability to increase your sales. To sell any article that is good, you must know its worth and value in yourself and for yourself. Consider the adaptability of the article to the one to whom you would sell it, and give every man a square deal. You are dealing with men who know nothing of the business, except in the most general way. You must know the value of your article; you must appreciate the value of your own time and the value of the time given you for an interview. Go directly to the point—the great point—that to every man you sell, his estate is increased by the amount of the face value of the policy, and sooner or later the company must redeem the policy in cash.

A VICIOUS AND MISLEADING CIRCULAR.

An agent of a prominent life insurance company has had the audacity to issue over his own signature the following wilfully misleading circular:

Have you seen the New York standard policy as issued by the —— Life Insurance Company? Why pay over $50 per thousand for a twenty-year endowment policy, age thirty-five, when you can get a twenty-year renewable term policy for $17.17, with a dividend each year, making it still cheaper? Figure out the difference in cost for twenty years. A $10,000 policy at $515, or a $10,000 policy at $171.70; a saving for one year of $343.30; saving in cost for twenty years, $6866.

The premium each year will also be lessened by the amount of the annual dividend. And all this in a thoroughly trustworthy company; one of the few to come through the ordeal of the Hughes investigating committee without a blemish.

This must appeal to you. "Figures do not lie." Kindly fill out the attached coupon and return to

Comment upon such a circular is superfluous. The attention of the company has been called to it and the agent has doubtless had a lecture on the folly of misrepresentation.

THE ADVANTAGES OF YOUR PROFESSION.

It is an undisputed fact that a man's obligations begin at his own fireside, that he must give first consideration to his family. The responsibilities which bear hardest upon a married man emanate from the home. This is the doctrine which is preached by you insurance men in your daily work. Why not, therefore, apply the same argument to yourself? If the incentive to labor gets its greatest impulse from the home, we want you to make note of the great advantage which you have over other men who are not able to increase the income so as to increase the provisions for the home.

The man who keeps a store cannot create a larger demand for his goods excepting, perhaps, by advertising more extensively, or by a more lavish display of the goods for sale, or a reduction in the price of goods, which, of course, may be to his disadvantage. This is also true of the doctor and dentist. They must patiently wait at their offices for business to walk in. Salaried employees are also in no position to immediately increase their incomes by an increased effort. But with you it is different—you go out after your business.

If you are not satisfied with your income, or if you have special calls from your family which require an increase in your income, by simply determining with your will power that you are going to make a greater effort to sell more insurance, because of the greater motive which reqires it, you will go out and work with more force and win more prospects because of the stronger desire which is within you to reach results.—Pittsburgh Life Pusher.

IF YOU LEFT YOUR WIFE.

If you left your wife while alive the law would put you in jail. Death relieves you of the law, but not of responsibility!—Cleveland Press, June 18, 1907.

This is a thought striking enough to make any man stop and think. "If I should leave my wife and family unprovided for and run away from them, the world would call me a rascal, and if the law could lay its hands upon me it would punish me. Am I any less guilty if death should suddenly compel me to leave them unprovided for, assuming that I might have made such provision? The law could not reach nor punish me if I were dead, but would not my memory suffer quite as much as if I had run away from them?"

A man's widow and orphans are a very different proposition from his wife and children, but he never can tell when this sad transformation may take place. How can he be happy in having the former if he realizes that at any time they may belong in the other class, and that not only their happiness but their prosperity will be gone, and that poverty as well as grief will walk with them? Insure that family of yours against poverty now. Buy a policy and be thankful for it every time you pay your premium.—Mutual Interests.

The man who procrastinates may be sorry that he met the undertaker before the insurance agent overtook him.—"Life Insurance Sayings."

THE SPECTATOR

A WEEKLY REVIEW OF INSURANCE.

FORTNIGHTLY LIFE INSURANCE SUPPLEMENT

Devoted to Life Insurance and the General Interests of Life Underwriting, Comments on Current Events, Suggestions and Hints for Field Workers, Technical Matters for Home Office Consideration, and Information as to What is Going On in Office and Field

ISSUED EVERY OTHER THURSDAY AS A SUPPLEMENT TO THE SPECTATOR.

New York, Thursday, December 5, 1907.

ON VARIOUS KINDS OF TWISTING.

By a Western Agent.

I have just read an interesting controversy between two prominent life insurance managers on what I will call the general subject of "twisting," and as so often happens in debates, I notice that both parties have overlooked the real issues in the case. It has occurred to me that there are some points of interest in the quarrel, using the word now merely as a synonym, and not implying that it is any more than an earnest discussion, and as it is my wish simply to show a broad point of view, I will not refer to either manager by name. I will first state the case.

"A" sent out a circular to his agents calling attention to the fact that conditions in the insurance world during the last year or two have caused policyholders to talk with agents, and that a policyholder knows that under a tontine contract the amount of his actual insurance at any time is the difference between his reserve and the face of his policy. Policyholders are also wondering how their reserve might be used to advantage in business, and if annual dividend policies might not be profitably combined with old reserves, etc. "A" sent copies of his circulars to managers and general agents of other companies, and "B" received one. Immediately it occurred to him that these statements were designed to encourage an insidious form of "twisting," and that the circular was part of a vigorous campaign for agents. "B" thereupon addresses a letter to "A," attacks his methods and standards and makes some general observations about a square deal.

I need not give "A's" reply. It is sufficient to say that, in the judgment of an unprejudiced outsider, these managers failed to understand each other. As I happen to have some acquaintance with "A," however, and know that it has been his custom for years to send copies of his circulars to managers and general agents in different parts of the country, whatever his motive may be, I am not convinced that there is anything especially deep and designing in this one circular. I grant that the clause in his circular which has caused offense, if correctly quoted, is rather vague and uncertain in meaning, but if I may interpret it by what I know to be the actual practice of many insurance solicitors, it does not apply to twisting as ordinarily understood. One sentence I have before me reads: "The larger insurants—lines of $100,000 to $1,000,000—know that the only life insurance they have under tontine policies is the difference in their face and the guaranteed reserve value to be paid in the next few years." Now, if one chooses to look at it from this narrow point of view, the statement applies to small tontine policies as well as large. I have a 20-payment life, semi-tontine, on which I have paid 12 premiums. Deducting my reserve, which is approximately $1000, I have an actual insurance protection of only $4000 under a $5000 policy. If I carried a 20-year endowment and had paid 15 premiums, my reserve would be so large that I should have an actual protection of less than $2000.

Not being greatly concerned myself about what my competitors do, if I had received a copy of "A's" circular I should have concluded that he meant simply to put his agents into possession of an argument in favor of additional insurance. Of course I have no inside acquaintance with any man's conscience and cannot guarantee that "A's" circular was really conceived in innocence of heart, but I know that the agents of the company with which I have been associated are familiar with the argument that the reserve must always be subtracted from the face of a policy to determine the actual amount of insurance, and when the holder of a 20-year endowment has but two or three more premiums to pay, he usually has it pointed out to him that he has so little actual insurance that he can afford to borrow on his reserve or surrender and take a new policy. In fact, the arguments which are generally urged in favor of a 20-payment life or 20-year endowment policy are to the effect that these contracts mature at a definite time, and that some day the holders will receive money instead of paying it out. Although I have no immediate figures at hand, I would express it as my opinion that matured policies are usually surrendered, even when agents have not urged it, and it used to be the custom of our company to make a specific offer to discount endowments several months before the day of final maturity. The surrender of policies in various stages of maturity, then, even in our own company, is a phenomenon with which our agents are familiar. I can say it with all the confidence of positive knowledge that, under such conditions as I have described, agents of our company do not hesitate to twist their own policies, and I should have supposed that that was precisely what "A' had in mind when he stated that the reserve must always be deducted to show the actual insurance in force.

Agents are Plain Human Beings.

It may be, however, that some will object to the word "twist" in this connection. I do not insist upon the term, nor would I unhesitatingly condemn the practice. I have sometimes thought that an insurance solicitor ought to be wiser and stronger than all other men, that he should have the wisdom of Solomon, and the conscience of a martyr, that he should never tamper with an old policy or write an application for a new one until he had taken pains to find out the absolutely best course; but a solicitor is neither a saint nor a hero. He is an ordinary human being, like ordinary policyholders, and he only differs from them in a certain kind of experience and training. He has the usual human infirmities, and as I have said before, in the pages of this journal, the responsibility for any transaction lies between two persons. A prospect or a policyholder must have some ability to take care of his own affairs. If he allows me to persuade him to take more insurance than he needs, or to surrender some that is good, I am not entirely to blame. He is not absolutely at my mercy and he should lend his courage and insight in order that we may both avoid a foolish transaction.

Besides, how can it be shown that the agent has not a good conscience in this special kind of twisting which I have assumed that "A" had in mind? If a policyholder has paid so many premiums and accumulated such a large reserve that his protection is reduced to the minimum, shall I undertake to say that the agent who advises him to surrender it and take a different kind of policy is an unscrupulous "twister"? It is true that he might be thinking only of his commis-

sion, but it is also possible that he could show a distinct gain by closing the old transaction and opening a new one. I have in mind the case of a $10,000 10-payment life policy that matured for over $6000. In this instance it was to the agent's advantage to advise against the surrender of the old policy for the reason that the dividends would very materially lower the premium on a new policy; but the policyholder would not listen to any such advice. He was fairly aching to get his hands upon that magnificent sum of $6000. and so he surrendered his matured policy, applied for a new one and made an agreement to pay a premium of over $600 a year, a sum which in ten years would equal the amount which he withdrew in cash. By using the dividends on the old and new policies to reduce the premiums of the new policy he might have carried an insurance of $20,000 for perhaps as low a premium as $400 a year. No one could wish for a stronger argument in favor of a new policy, but the gentleman could not get his mind off of the fact that he would be leaving the enormous sum of $6000 with the company, and he was deaf to all other propositions. The agent was therefore under the necessity of advising him to surrender the old policy and take a new one.

The truth is, that most men would like to purchase a large amount of insurance at a small annual cost and without the trouble of accumulating a reserve. They dislike to have any considerable sum on deposit, even when it will lower the annual premiums, and, as a rule, they will readily listen to a proposition to increase the actual amount of insurance by decreasing the reserve on an old policy. In framing such propositions the solicitor simply appeals to human nature as he knows it, as he does in most other cases. Since policyholders are usually ready to meet us more than half way, I should be reluctant to pronounce a very severe condemnation upon this kind of "twisting." If a solicitor will not scruple to encourage the surrender of a policy in his own company, he will hardly hesitate to approach policyholders of other companies.

Since I have never been backward in expressing approval of clean methods, I need not be afraid to say that soliciting will never approach anything like an ideal basis as long as the public is so passive on the subject of life insurance. It is perhaps well enough to show that twisting, either of the kind that I have been considering, or of the plain, every-day kind of changing a policyholder from one company to another, is seldom profitable to the policyholder, but if he is so dull and spiritless as to permit himself to be twisted about in this fashion, I think it is likely that he will continue to be a source of temptation to solicitors.

No Proprietary Rights in a Solicitor.

However, there is one other item in connection with this controversy between "A" and "B" which I should like to examine for a moment before closing. Besides the objectionable doctrine about twisting, "B" suspected that "A" was sending out his circular in the interest of a vigorous campaign for agents. Whether he was or was not is not important in my present discussion, but suppose any manager, and by the word manager I simply mean anyone who is paid either a salary or commission to secure and train agents, should covet the services of an able solicitor and make him a fair proposition? Is there anything illegitimate in this? Is it not a fact that competition is the life of society, and that the strongest objection to combinations of capital called "trusts" is that they destroy competition? I grant that a manager may have spent several years of his time, and considerable money, in training a solicitor, but does this give him a perpetual right in the man? Is the solicitor himself debarred from improving his condition, and are all other managers permanently enjoined from making him offers? As a matter of fact the average solicitor is usually so bound by his contract that he cannot, after a few years, make a change of companies without a financial loss. If he has a renewal income of only $500 a year, he cannot forfeit it for the doubtful prospect offered by an ordinary contract with another company; but suppose some manager should offer to compensate him for the loss of his renewals and give him a slight bonus besides? Is there anything criminal in this? The forfeited income reverts to the old manager to compensate him for his trouble or to enable him to replace the retiring solicitor, and the manager who secures the new agent must assume the risk of a rather doubtful investment. Who is swindled by the transaction? It seems to me, if I may judge by the experience of our agency, that it is not an unmitigated loss to lose an agent who forfeits a good renewal, and it is often a hardship to acquire an agent who demands a guarantee or a salary. For all these reasons it appears to me that "B's" alarm over "A's" vigorous campaign for agents is needless.

Make memoranda of little points while you think of them. Run over the various sub-divisions of your work to recall any point you may have forgotten.

CONVINCED BY HIS WIFE.

"About the toughest customer that I ever tackled," said a well-known agent to the writer, "was a man who knew that he needed insurance, that he had a family which could not stand poverty, and that his neglect to provide for them meant the direst distress to them in the event of his death.

"Yet he hesitated because, I have always believed, if he paid for as much life insurance as he ought in justice to carry, it might interfere with his life as a 'high-roller.'

"I called upon him time and time again, but by one excuse after another he delayed, but always encouraged me to call again. He had the advantage of me because he averred that he was satisfied that my company was all right, that he ought to insure; indeed, he had definitely made up his mind to insure—but, well, he was never just ready to sign an application that day. And so he delayed and continued to delay; and while I felt sure he would in the end insure (provided his end did not come before he decided to act), and so I continued to call upon him until at last I became almost exasperated and entirely out of patience.

"In despair I went to a very good friend of mine, whom I knew was intimate with the star procrastinator, and asked him what I should do.

"'Go to his wife,' said my friend, with a gleam in his eye.

"I did so, and a couple of days after the prospect sent for me, and without a word of explanation he signed an application. I never knew what Billy's wife did to him, and when I told our mutual friend he only grinned."

LOOKING FOR INFORMATION.

There is nothing wildly exciting about this paragraph, because it does not relate how, after a long struggle, the agent "landed' the application.

It simply relates that, a few days ago, a general agency in a certain large city received a letter from a prominent capitalist, requesting that one of the best men in the office be sent to him to give him some lessons relative to life insurance.

"I am going to make life insurance, in its several forms, a regular feature of my investments," he said. "I will not promise to take all of it or any of it through your agency; but your agency is a prominent and reputable one, which is the reason I apply to you for information, and I will at least promise you an equal chance to secure my business."

Did the general agency respond? They did, and with alacrity. Was there ever a more splendid opportunity offered to secure business than this man held out?

The case may be unique, and it may not be; but it is true, and therefore suggestive.

Learn to close an interview diplomatically and save your time and that of other people.

FINANCIAL UNREST BENEFITS LIFE INSURANCE.

Probably no class of men are in closer touch with the financial world than life insurance solicitors, and one of the best solicitors in the city, when asked how his business was affected by the financial situation, said that he had not noticed any particular difference, and he gave it as his opinion that people were more inclined, if anything, to clinch such protection at a time like the present when the future

seems uncertain, so that, as he views it, the present financial unrest works rather for the benefit of his line of business, people realizing that with the present uncertainty, even should they have but little money in the future, they can secure protection and provide for the future of their dependents with a comparatively small outlay.

Another point which he mentioned as proving that the present financial condition is not detrimental to his business is, that he is closing with an unusually large number of prospects who have been "prospects" merely, and finishing up several contracts which have been hanging fire.

Altogether, this man's exposition of the situation is the most comforting, and, it seems, the most commonsense of anything that has been written or spoken.

Cultivate a happy expression and a happy manner; feel it and mean it; the advantage is wonderful in every way.

HOLIDAY SEASON GOOD FOR BUSINESS.

"This is naturally a quiet time for anything but strictly holiday trade," is a remark frequently heard at this season.

Such is not the case, however, at least in the opinion of one good life agent.

This particular agent says that he finds the holiday season a good time in which to do business, as good as any, and, in some respects, better. It is a mistake, he says, to assume that people are spending all their money and mortgaging their future, on Christmas.

On the contrary, he says, men very often feel the most receptive to a life insurance proposition, at this season, for one of two reasons. Either a man feels that he is spending so much money that he must offset it by adding to his permanent estate in some way, the easiest way being by life insurance, because he can do it, in a substantial manner, by a very small spot-cash expenditure; unless he is feeling so benevolent, just before Christmas, that he is ready to do all the good he can to all people, including himself, and therefore he is an easy mark for the wide-awake life insurance solicitor.

"At any rate," this agent says, "I find the holidays days of work, and not play, and as profitable to me as any part of the year. I find it as easy to sell insurance then as any time."

CONCENTRATION AN ESSENTIAL.

The secret of success is concentration, and this applies to everything in the line of endeavor. Other things are important, but this is very essential. The agent and the salesman, and they are identical, must be prepared to devote all his energies to this one end if he wishes the greatest measure of success. All real success is hard to attain, and in the line of solicitation undivided and continuous employment of all the faculties is called for. Hard work is an important factor, but ill regulated or fitful hard work achieves little. Many a good man has toiled assiduously all his life only to mourn his wasted energies at the close. Particularly brilliant men, especially, are apt to fritter away their talents in doing many things fairly well instead of concentrating them on doing one thing thoroughly. In many cases the time and trouble spent in aiming at success in various directions would, if concentrated on any one object, suffice to raise him to the highest pinnacle of success.

Salesmanship may be made a profession; so may also soliciting, and both receive the same degree of respect accorded to an artist of any class.

COMPETITIVE DISHONESTY.

If ten men are competing for a single application and all of them are honest each one of the ten can afford to continue in the straight and narrow path; but suppose, as is sometimes the case, that one of the ten takes advantage of some trick or scheme which gives him an advantage over the other nine.

If dishonesty pays better dividends he will make more money than the others; then number two of the ten, seeing the prosperity of number one, follows suit and there is created a sort of competitive dishonesty. Each one of the two trying to get ahead, not only of the other eight less daring ones, but also of each other, will drop lower and lower in the scale of business honesty until their operations degenerate to the lowest wild-cat order. Such business is not good for either an agent or principal.

SELL POLICIES ON THEIR MERITS.

Said a merchant to a life agent—an acquaintance of the writer—"I wouldn't take a dollar's worth of insurance from an agent who would run down, speak disparagingly of any other life insurance company; nor will I," he continued, "purchase goods, if I can avoid it, of a salesman or concern which cannot and does not depend upon the merits of its own goods to secure business.

I want to purchase life insurance in the same way that I purchase goods—by having it shown to me and explained to me, and then purchasing on my own judgment. I don't mean that I would deny fair competition, for that is good business. I simply object to abuse of competitors, and do not object to an agent's trying in a legitimate and honorable way to show that he has the best and most favorable contract.

AMOUNTS OF RESERVES ON VARYING BASES.

In making up their annual statements for the year 1906, the several life insurance companies were asked to state the amounts of reserves held on varying mortality tables and rates of interest. The accompanying exhibit brings the items together for the companies reporting to New York. The total reserves reported amount to $2,428,197,523, of which $1,380,258,842 is at 4 per cent, $530,681.217 at 3½ per cent, and $517.257.464 at three per cent, the percentages being 56.8, 21.8 and 21.4, respectively:

AMOUNT OF RESERVES HELD.

Company.	4%	3½%	3%
Ætna Life	$1,455,029	$70,596,351	......
Bankers of New York	860,613	283,580	......
Berkshire Life	11,955,751	2,397,215	......
Buffalo Life	......	1,304	......
Colonial Life	172,274	323,421	$71,301
Columbian National	......	2,038,860	......
Connecticut General	3,982,755	1,939,798	......
Counecticut Mutual	27,065,183	......	32,329,444
Equitable of New York	223,586,904	18,976,894	116,213,440
Fidelity Mutual	4,710,990	6,217,962	......
Hartford Life	546,990	627,263	......
Home of New York	12,735,964	4,781,339	110,818
John Hancock	23,796,416	12,304,737	......
Life Association of America	......	147,935	......
Manhattan	14,985,835	370,000	2,468,000
Massachusetts Mutual	31,611,629	7,191,451	13,178
Metropolitan	95,179,159	58,994,097	......
Michigau Mutual	8,646,498	649,303	27,284
Mutual Benefit	72,027,165	......	23,743,344
Mutual of New York	258,444,268	145,628,181	......
Mutual Reserve	2,646.509	1,397,157	......
National of Vermont	23,579,995	2,528,006	6,609,867
New England	31,303,080	6,497,128	61,102
New York Life	120,373,589	74,496,172	216,871,965
Northwestern Mutual	132,230,824	......	53,473,300
Pacific Mutual	5,674,190	5,028,598	......
Penn Mutual	31,191,975	25,234,930	13,254,159
Phœnix Mutual	16,051,409	798,139	3,972,887
Postal Life	......	16,198	......
Presbyterian Ministers	1,526,173	489,196	......
Provident Life and Trust	45,588.066	6,166,083	......
Provident Savings	6,134,232	2,704,088	......
Prudential	62,747.070	359,309	39,028,249
Reliauce	......	......	568,419
State Life	1,563,422	......	2,939,418
State Mutual	20,988,245	4,860,999	......
Travelers	......	36,848,712	1,654,030
Union Central	33,035,020	12,082,075	......
Union Mutual	9,285,706	......	2,810,485
Washington	13,173,556	3,384,672	1,036,774

FAVORS SIMPLE PROTECTION.

A prominent lawyer of a Western State, who is insured for over $300,000, recently sent to this office the following letter:

It is doubtful if I could write you an acceptable letter for publication, for I am not altogether in sympathy just now with the life insurance companies. I don't think many of them treated their policyholders right. One thing is certain, if I take out any additional in-

surance it will be the straight, old-fashioned life, pay as you go, without contingent interest in the profits of the company, without any participation in the profits feature at all, if such a thing can be had. It would be pay the premium this year for the insurance pure and simple, and the same thing next year, or drop it at the end of any year, with the feeling that you have lost nothing, having paid for the simple life insurance, and having had it every year. I hear other people talk that way, and I believe that is the present thought on the part of the insuring public. If I am not mistaken, I noticed an advertisement by one insurance company recently, which indicates that they have "caught on," for they were trying to make it appear that they were willing to make a specialty of such insurance now, while always heretofore insurance companies and their agents have been cold toward the man who wanted such life insurance, and they have always put forward many, and seemingly plausible, reasons in favor of insurance with a profit-sharing feature attached. The few policies that I have had mature have shown that the profit feature was hardly within gun-shot of the inducements that were held out by the agents at the time the insurance was taken. The guarantees, of course, were all made good.

The letter is an indication of the way the pendulum of public opinion has swung away from the idea of large personal returns on life insurance policies. Several old companies, and a majority of the new organizations, are now writing non-participating business exclusively, while term policies have also been freely pushed, on the assumption that the public wants its life insurance on as low a basis as possible. A company, to be successful, must give the public just what it wants, even if it knows that it is not the very best. The deferred dividend plan was found wanting, not so much on account of the returns made under it, but that the returns in most cases did not come anywhere near the estimates originally given out. Because of that fact, the public now seems to think that it does not want any dividends at all, and will probably continue in that frame of mind until the superiority of either the participating or the non-participating plan is established beyond all doubt.

THE TAXATION OF LIFE INSURANCE PREMIUMS.

One of the speakers at the Trans-Mississippi Commercial Congress, held at Muskogee, Okla., on November 20, was Darwin P. Kingsley, president of the New York Life. The topic discussed by him was "Insurance: What should be the attitude toward it of the State of Oklahoma?" The address was a notable one, and in the course of it he showed that the New York Life alone had over one-fifth of its assets invested in securities representing the development of the Trans-Mississippi States. On the subject of taxation he said:

Assuming a cordial desire to forward every interest which will tend to develop the industries and wealth of the State, I would like to emphasize my view of what your attitude ought to be towards the taxation of life insurance premiums.

In substantially every organized form of society that has ever existed, there has been a recognition of the fact that it was good public policy to encourage the growth of certain ideas and interests, whether all individual citizens were directly benefited by such growth or not. For example, when Colorado became a State, provision was inserted in the constitution exempting mining property from all taxation for a period of ten years. This, of course, put all the burden of taxation on other forms of property, but it was the judgment of the men who framed the constitution and of the people who adopted it that tbe added burden was warranted because of the encouragement which would tbereby be given to mining enterprises and the ultimate benefit which would accrue to all forms of property in the State. The same idea on a much larger scale is represented in the exemption of church and school property from taxation. It is stated on good authority that the value of property owned to-day in tbe United States by the various churches is five thousand million dollars, and none of it is taxed. It is not taxed because the controlling opinion has been that the Church was a benefit to the State, that its influence upon the whole was of value to every citizen, that its work ought to be encouraged, and that the burden of taxation ought to be placed on other forms of property. The same argument has been used with regard to school property.

Of course, in exempting church property from taxation, exery taxpayer, believer and unbeliever, is taxed to make up for the exemption. If property owned by the Church pays no tax, then other property pays more tax. So the State in effect has said that the unbeliever should be indirectly taxed for the support of the Church because the Church is a public benefit.

Every one of these arguments applies with almost equal force to the pre-premiums of life insurance. We have now reached a period wbere it is difficult to find a man who will claim that life insurance is not a public benefit. Substantially every citizen recognizes the conservative value of life insurance; not alone in the burdens of which it relieves the State; not alone in its fight against want and poverty; not alone in the protection which it affords the defenseless—the opportunities which it gives boys and girls where otherwise there would be no opportunity—but in the part it plays in the industrial development of the country—in the demand which it creates for good securities; in the conservative position which it takes with regard to securities; in the great centers of financial conservatism and strength which it necessarily creates. And yet, while life insurance plays all these important functions in society, it has been taxed and is still taxed as though it were in some fashion a public menace, or, if not that, at least a strictly private enterprise in wbich the State had no direct interest, and indeed an enterprise of which the State in its neccessity may take advantage.

Under the system of taxation adopted by the various States in this country, in one form or another, every dollar of premiums paid by the policyholder is taxed. These taxes range from a fraction of one per cent in one or two States up to more than three and one-half per cent in one State.

The premiums which the insured pay are in themselves a tax, self-imposed. The great body of them represent serious economies, and even sacrifices, on the part of the policyholders. They represent savings which more directly benefit the State than any other form of investment, and yet while the State exempts school property and church property, it taxes the premiums of life insurance. A parallel argument may be made with respect to the exemption from taxation of savings bank deposits. The man who puts his money at interest in a savings bank is not taxed; the man who puts his money into life insurance is taxed. There is a monstrous inconsistency in this situation somewhere.

There has, beyond any question, been a decided advance of late in the campaign against special privilege and special advantage, as against the general public. Railroad passes have been abolished, and everybody applauds the action. There are other special privileges and advantages which ought to be abolished, and they will be. But my argument goes to this conclusion: that if, as a matter of public policy, it is just and wise to exempt school property and church property, and some other forms of property from taxation, then the premiums of life insurance ought to enjoy the same exemption.

While the tendency has been steadily to increase this taxation, and while State after State has taken the matter up and in no instance that I can recall has any State reduced the rate, still it seems to me there is a better day coming. Here and there an Insurance Commissioner rises up and protests against such taxes. The disposition of Insurance Commissioners hitherto has been to take all they could get, in order to make a good record for their Department of the State government. The immense publicity which life insurance has had within two years, notwithstanding the fact that some of the disclosures were shameful, has spread a better knowledge of what it is and what it means, and gives good ground for the hope that the policyholders themselves are about ready to appreciate, not only the interest which they have at stake, but the power which they can exercise if they see fit to do so.

Some men cannot accumulate anything but trouble; hence the need of insurance.

THE RESULTS OF "PUTTING-OFF."

A Philadelphia department agent recently took an application for a policy of substantial amount, and the applicant having passed, policy was issued and taken by the agent for delivery, no payment having been made. Then the prospect wanted to wait the return of an advising friend from Europe. The solicitor warmly urged the unwisdom of delay, but the man was determined. The friend having returned, the agent made another call with the policy, only to learn the man was ill, and therefore he could not deliver it. The disease rapidly progressed to fatal ending. The widow and three children are left with totally inadequate provision. In life this man provided well, as he "meant to" provide in case of death. He only "put off." And year after year hereafter his dependents will pay the cost of his "putting-off." The lesson of this incident was reinforced even while the above was being written. There entered the office a woman of gentle and refined appearance who proved to be canvassing for an educational work. Her evident nervousness and timidity showed that she was not fitted for this sort of occupation, and that it was a daily dread to her. We learned that she had been left a widow, with no adequate provision for the support of herself or her little girl, and the canvassing was not a matter of choice, but of dire necessity. Here was another of those many cases where a man who was a good husband had put off a duty, with consequences that would doubtless have horrified him if he had thought that his delay was to eventuate as it did. When the Insurance solicitor thinks of the multitude of such tragedies directly prevented within his knowledge by his own tireless efforts, is it any wonder that he feels no life work can surpass his own in usefulness and nobility?—Fidelity Mutual Bulletin.

A THRIFTY YOUNG MAN.

"It is only a thousand-dollar policy," said the brisk, business-like young man at the cashier's window, "and I am always glad to pay my premiums on it. I have nineteen more policies, all for the same amount. I have been taking them out every time I felt I could afford it, ever since I went into business fifteen years ago. I am thirty-five now, and I consider that I have a snug little fortune of $20,000 safely tucked away where no accident can ever happen to it. I have some other savings safely invested, but I take especial pride in my life insurance. If I should die to-day, my wife would have $20,000 paid her in cash, and that is many times more than I have paid for this insurance. And if I live to middle age, these policies will begin to mature and be paid off, and it will be very pleasant to be receiving thousand-dollar checks every few months. Meanwhile, the premiums keep coming due in comparatively small amounts, and as I am doing pretty well in a business way, it is no great strain on my bank account to pay them. I tell you, it is a mighty comfortable feeling to realize that I have twenty thousand-dollar policies standing between my family and want, and the world seems a pretty good place to live in."—Mutual Interests.

If men's estates were as big as their intentions their widows would not want.

SELLING INSURANCE.

Lack of experience should never prevent a man from engaging in the life insurance business. No man knows the limits of his possibilities, without first putting his powers to the test. Many of the successful agents in life insurance were a success from the very beginning of their work. It does not necessarily take men long years of service to develop into being good agents.

Large numbers of men enter the business fully prepared because of experience in selling in other lines.

Some improvement in methods can always be made by experienced men. Yet the one great advantage to the new man during his first year, is his enthusiasm. As he meets with success, it kindles the fire of his enthusiasm. Each victory represented by an application invigorates him and urges him onward. In a business where men make from $15 to $250 a week, there is no lack of incentive for those who are ambitious and are willing to work.—Pittsburgh Life Pusher.

THE SPECTATOR

A WEEKLY REVIEW OF INSURANCE.

FORTNIGHTLY LIFE INSURANCE SUPPLEMENT

Devoted to Life Insurance and the General Interests of Life Underwriting, Comments on Current Events, Suggestions and Hints for Field Workers, Technical Matters for Home Office Consideration, and Information as to What is Going On in Office and Field

ISSUED EVERY OTHER THURSDAY AS A SUPPLEMENT TO THE SPECTATOR.

New York, Thursday, December 19, 1907.

A NEW CODE FOR LIFE INSURANCE AGENTS.

Even the best of codes need revision from time to time, in order to bring them into touch with changed conditions; and the life insurance agent's code is no exception to the rule. Granting that the fundamental principles of the life insurance code are as immutable as the laws of the Medes and Persians, the agent who rests his case on those fundamental principles, and fails to weave into his argument the topics of the times, the personal equation, and an occasional pat illustration or story, is apt to book mighty few applications in these post-Armstrong days. That man of international fame, the bearer of "the message to Garcia," not only would never have landed his message, but probably would have occupied a Cuban grave, had he not availed himself of the most reliable up-to-date information regarding the exact position of the Spanish lines and the very latest maps of Gen. Weyler's domain, but relied on long-since obsolete data as to the topography of Cuba.

The same rule holds good of the man whose business it is to deliver the life insurance "message to Garcia"—and, from the standpoint of an active superintendent of agencies, there are as many "Garcias" in his field of work as there are insurable persons. The life insurance agent must keep abreast of the times, or he will soon find himself hopelessly left behind the procession. As Robert Herrick put it, more than two centuries since:

"Thus times do shift * * * each thing his turn does hold;
New things succeed, as former things grow old."

There never has been a time in the entire history of American life insurance when the necessity of revising the agent's code up to date was more apparent than it is right now. Not only have the commercial developments of the last decade radically changed men's scale of living, and made the big things of *fin-de-siecle* days seem like little things in these twentieth century times, but the revelations of the Armstrong Investigation, the subsequent—and possibly resultant—hatching of a countless brood of muck-rakers, and the financial upheaval of 1907, have all combined to necessitate a wholesale readjustment of the life insurance code in order to bring it strictly up to date.

"The Great Divide" of 1905.

To make use of the phrase which one hears so much in the region of the Rockies, the year 1905 might fairly be termed "The Great Divide" of American life insurance history. For more than a quarter of a century, the business had pursued the noiseless tenor of its way. There had, to be sure, been an extraordinary expansion of life insurance, assessment insurance had gone up like a rocket and come down like the proverbial stick, and almost innumerable new forms of policies had been devised and placed upon the market. But, in the main, the business had been let alone by the law-makers and other "reformers." It had been allowed to reshape itself on lines of its own choosing. And, in a general way, the argument which was good enough to land the "prospect" in the early 80's was still more or less serviceable in the early 1900's—with certain comparatively slight modifications and changes made necessary by the remarkable growth of the country in wealth as well as population. Then came the sudden flare-up of the lime-lights of publicity, the utterly-unexpected entrance on the life insurance stage of a horde of both professional and amateur "investigators," and—presto!—the stage settings were changed in the twinkling of an eye.

The good-enough arguments of 1904, the arguments which for all but a generation had been landing a fair percentage of the business canvassed for, suddenly proved most lame and impotent. The times had changed, and against the new defense of a hysterical public the old-time life insurance argument, for the time being at least, proved about as useless as would the medieval blunderbuss when brought into competition with the strictly up-to-date Martini. Some quick-witted agents, promptly sensing the changed conditions, discarded their former tactics, studied the testimony before the Armstrong Committee and figured out ways of answering some of it and availing themselves of other parts of it, and so continued to write almost, if not quite, as much business as they had been accustomed to write. Other agents—and their name was legion—were unequal to the demand for an immediate revision of their canvassing code, were hopelessly discouraged by the new situation, and gradually succumbed to the law of the survival of the fittest, and dropped out of sight.

The men who remain in the business are, to a certain extent, the hardworking, serviceable, men of the business; the men who have disappeared were, for one reason or other, the weaklings of the business. Consequently, the agents who are now lining up for inspection are the men best qualified to readjust themselves, and their code, to the new conditions. The vital question is, how should the life insurance agent's code now be readjusted in order to secure the greatest efficiency?

Every Agent Must Draft his Own Code.

A prominent official of the U. S. War Department, who had carefully studied the tactics, methods and *personnel* of the German Army, recently said that the vital difference between the German soldier and his American counterpart was the fact that the former was an excellent fighting machine, and a thoroughly effective one so long as there was some officer at hand to run the machine, whereas the American soldier in case of emergency was his own corporal, sergeant, lieutenant, captain—and colonel, if necessary. The American life insurance solicitor, worthy of the name, is constantly called upon to be his own corporal, and sergeant, and lieutenant, and captain. Therefore, he must make for himself, his own canvassing code, or do the up-to-date revising of his code, and no two agents' codes will be just alike, each one partaking more or less of the personality of the man who framed it. On certain points, however, all American life insurance agents' codes for 1907-8 may profitably agree. And here are some of those points, roughly stated.

The first and foremost of these points is that of so utilizing the outcome of the Armstrong Investigation, and the resultant life insurance agitation, as to make it a weapon of attack, rather than defense. It is always a good plan in any fight, contest or argument, to get the other man on the defensive from the start. Hence, the wide-awake agent of the present day and hour will be ready, at the first opportunity, to make it evident to the man whom he is canvassing that the absolute security of the contracts of all established life insurance

companies has recently been demonstrated as never before. In the entire life insurance proposition there is no more important item than is effectively summarized in that one word, "security." Presumably, every man who takes out a policy does so for the primary purpose of thereby providing "security" against the uncertainties of the future, either for his dependents or for himself. Once that cardinal point of life insurance has been made so as to convince the man who is being canvassed, the agent has driven in at least one nail, and clinched it on the other side. And right now, after every form of hysterical criticism and attack has been leveled against American life insurance without in the slightest degree disclosing any question as to the one-hundred-cents-on-the-dollar security of the face value of the policies of all established life insurance companies, surely even the most critical, and most prejudiced, man of ordinary intelligence must concede that there is no room for argument on that point. That being so, the recent hysterical outburst against life insurance companies may, if properly handled, be converted into a most effective argument, the *positive proofs* of which were formerly lacking.

How to Meet the Possible Objection.

But, says the weak-kneed agent, suppose the "prospect" raises the objection that the testimony before the Armstrong Committee proved extravagance and steadily-decreasing dividends to policyholders in the case of some companies; how is that point to be met? That so-called "point" is no "point" at all; it is as blunt and as useless as the wrong head of a pin. In the first place, it in no way concerns the agent whose company was not directly affected by such testimony; and if his company was so affected, he has two lines of defense. To begin with, the so-called "dividends" on a life insurance policy are matters of only minor importance, the certain payment of the face of the policy on maturity, or the death of the policyholder, being the foremost, all-important, point. How many men ever took out life insurance policies for the purpose of receiving the possible "dividends" on them? Probably not one policyholder in a million. Of course every policyholder, present or prospective, naturally desires to receive all the return on his premiums that he may fairly expect, but no reasoning man ever allows considerations of minor importance to take precedence of the all-important considerations of any proposition which he is weighing in his mind. That fact, deftly stated and so put as to be best adapted to the man who is being canvassed, should dispose of any objection on these grounds.

And, by way of further answer, the agent for one of the companies which were under this line of fire in the Armstrong Investigation can convincingly point to the reorganization of his company, to its decreased expenses and increased dividends as shown by the current annual statements, and may also cite the fact of the radically-changed conditions now enforced by the new insurance code of New York. So much for an objection, which very likely will not be raised. Now, as to other new arguments for 1907-8, which could not formerly have been raised, and hence are brand new, supplemental additions to the life insurance agents old code.

The Most Vital Point Now Proven as Never Before.

The absolute security of the face-value of every policy issued by an established life insurance company having been established as never before, by the recent search into every nook and corner of the business, the point in question is now doubly effective in the light of the current wholesale depreciation in values of the very best of stocks and bonds, and the collapse of even such a supposed pillar of the financial world as the Knickerbocker Trust Company of New York City. When the most gilt-edged investment securities are shrinking anywhere from twenty to sixty per cent. in value in a single year, and either through dishonesty or unfortunate loans such great institutions as the Knickerbocker Trust are suddenly finding themselves in receivers' hands, the absolute, unshrinkable, par value security of the life insurance investment is calculated to be more effective than ever before, if properly presented.

Then, too, by way of additional, eminently timely, life insurance argument, there is the loan feature of all modern policies—never before so pressed into service by policyholders—by virtue of which the policyholder of any length of time can secure from the company in which he is insured, on the sole collateral of his policy, an immediate loan of the amount specifically guaranteed in his policy, and at a low rate of interest also therein specifically fixed, though he might find it absolutely impossible to secure at any rate of interest a loan from his bank on collateral which under ordinary conditions might have been considered gilt-edged. Surely, there is an argument which would strongly appeal to almost any man in times like these, and one which the wide publicity recently given to life insurance loans by the daily newspapers has advertised in every corner of the country. Not only does this "policy loan" provision materially enhance the attractiveness of a life insurance policy in view of recent events, but of course the larger the policy the larger will be its guaranteed, and steadily-increasing, loan values for each year, and by properly building up his case the agent may, by this one argument alone, induce the man who would otherwise have taken out a policy for $5,000 to make out his application for $10,000 or $15,000.

Of course, all the old arguments of proven efficiency are still operative, and may be embodied in the life insurance agent's new code. But, as every man knows by experience, ordinary conversation—let alone argument—is materially lightened, and made interesting, by the introduction of thoroughly timely reference to places, and people, and events with which the listener is personally familiar. A story about George Washington, or Abraham Lincoln, may catch the fancy of an audience, but one about Gen. Funston, or Theodore Roosevelt, is much more apt to win over the racounter's hearers. And right there lies the well-known principle which every energetic life insurance agent should employ in constantly revising, and bringing down to date, his code of canvassing arguments. Keep your code strictly up to date. The agent who expects to attain any appreciable mark of success must always so do. And never since the dark days of the 70's has there been so urgent a necessity, or so great an opportunity, for a radical revision of the life insurance code as now confronts the men whose business it is to secure the signatures on the dotted line.

The average American family lives without a margin. They spend what they receive; hence the need and popularity of life insurance.

FEDERAL SUPERVISION OF LIFE INSURANCE.

By a Western Agent.

I have so often encountered discussions of Federal supervision of life insurance companies that the subject is beginning to seem like a life-long acquaintance. I confess, however, that as time has passed I have not accumulated wisdom nor acquired any very stable opinions respecting this mooted question, and until very recently I should probably have declined the most urgent invitation to write on it. However, Federal supervision or more uniform State supervision is needed, and, being an optimist about things in general, I am inclined to say that some time it will arrive, and I might as well do my little part in bringing about the result. I shall probably quote some figures and set forth an argument or two, for which I am indebted to George H. Noyes, counsel for the Northwestern Mutual, who read a paper on "Federal Supervision," in Milwaukee, in 1905. It is impossible for me to know how generally my readers may be informed concerning insurance. My feeling is that every man who has carried a rate book for a year is aware that supervision is at present entirely under the control of the individual States, and that there is no government control of life insurance. I may be wrong in this, as well as in other impressions, and so I will occasionally assume that certain information is necessary. First, I will say something as to a company's point of view.

Forty-six States now compose the Union, and these have laws and regulations that were evolved under such varying conditions that they are confusing, if not positively conflicting. Besides, different Insurance Departments interpret the same laws differently, and a life insurance company that attempts to conform to the notions of thirty-five or forty different supervisors is in a somewhat similar position to the gentleman who started to market one day in company with his son and an ass. Each traveler that he met had a suggestion to offer as to the manner in which the journey should be made. One thought the father should ride and another the son. One thought

they might both ride, and at last a tender-hearted individual was encountered who decided that father and son should both walk and that the ass should be carried. To each suggestion the father gave heed, and in the final attempt to do the right thing the ass fell into a stream and was drowned. In the effort to obey conflicting opinions and interpretations an insurance company is likely to be always in the wrong, and will be fortunate to escape disaster.

It is the opinion of some conscientious and optimistic persons that if all life insurance companies had always discharged their trusts faithfully they might have escaped being meddled with by the different States, but with the expansion of the business officials became corrupt, abuses crept in and regulation was primarily in the interest of the public. It is doubtful, however, if this position could be sustained. Success must always have some kind of a tax levied upon it, and when it became apparent that insurance companies were accumulating millions of assets, they could hardly have failed to arouse envy, even if they had been conducted with an honesty such as might be possible only to a divinity. Insurance companies were becoming bloated corporations, and they must be eased of a small part of their wealth. Revenue then became the chief purpose of insurance legislation; but human beings seldom undertake anything without propping themselves up with high motives, and insurance companies were heavily taxed and fined in the sacred name of the public. It is estimated that $10,000,000 are paid to the various Insurance Departments in the form of taxes, fees, licenses and examination charges. Would it be fair to assume that $2,000,000 of this sum is expended in legitimate supervision? This would allow an average of nearly $50,000 for each of the forty-six States; and since some rather pretentious Insurance Departments are conducted at an expense of less than $15,000 annually, $50,000 would seem to be ample for most Departments. If these estimates and the conclusions drawn from them are at all fair, it would seem that the dear public pays about $8,000,000 annually for protection against the rapacity of insurance companies. While such a heavy fine is placed upon the companies, is it probable that premium rates can ever be reduced?

Uniform Laws Desirable.

Relief, however, may not be so far away. The American Bar Association, through a committee, has labored for uniform State laws, and in 1890 it induced the legislature of the State of New York to create a Board of State Commissioners to work for uniform laws throughout the United States. Similar boards have now been created in nearly all States of the Union and some progress has been made toward uniform insurance laws. If Federal supervision should ultimately be found impracticable, uniform State regulation may do much to reduce the evils of the present conflict of rulings and interpretations.

There is no doubt that Federal supervision would be less expensive to insurance companies than State supervision is, and it would therefore be more economical to the policyholders. Considered in the abstract and before any experiment has been made, it would seem as practicable as State supervision; and one cannot think of any mere logical objection to it, except that it is unconstitutional, unless the United States Supreme Court can be induced to class life insurance under the head of commerce. This court has already made three decisions specifically declaring that insurance is not commerce; but, influenced by a feeling for public policy, perhaps, it made commerce out of lottery tickets in 1903, and so enabled Congress to get rid of the lottery business. Chief Justice Fuller, who dissented from the opinion of the court, declared that this decision would make everything commerce the moment "it is taken to be transported from place to place."

I need not comment further on this point. If Federal supervision is desired with sufficient earnestness, it can be made constitutional even if the constitution itself must be altered.

But why should an agent be interested in either Federal supervision or in uniform legislation? The nuisance of conflicting laws does not trouble him; and unless he is a general agent or manager, it often happens that he is almost wholly ignorant of Insurance Departments. I have two or three friends who are enthusiastic on the subject of Federal supervision and seldom fail to urge their views in any group of insurance solicitors. I endeavored to acquaint myself with their opinion before beginning this article. Said one: "Federal supervision under one set of laws somewhat resembling the Armstrong laws will drive the rebater, the schemer and the low competitor out of the field. It might result in a smaller volume of business, but it would be of a better quality and a smaller per cent of it would lapse. There would be fewer agents and managers, but they would be more expert and of a higher character.

Laws do not Make a Good Agent.

"Again, Federal supervision would give life insurance a standing and a dignity which it now lacks, and the public would more readily buy it. Soliciting would then be more respectable and easier than it now is."

I confess that I do not strongly sympathize with these views. I should greatly regret to misjudge anyone, but it seems to me that this kind of reasoning is the outgrowth of that very ancient delusion which most men fall into when they begin to reflect about their hardships or the obstacles they meet. A manager has it forced upon his attention that here and there some other manager builds up a wonderful agency organization, and perhaps writes an enormous amount of insurance in addition, and he becomes displeased with his own modest organization and small personal writings. Immediately he decides that difference in conditions, the presence of schemers, rebaters and unfair competitors account for the difference between himself and the great writers and organizers. "Give me Federal supervision or better laws; remove the grafters from my field, and I will show you a great organition also," he exclaimed. Need I say that he is mistaken or that under no conditions could he ever become a gigantic figure? Whenever we need an excuse for our shortcomings, it should be easier and more honest to fall back upon nature. My personality is not being felt today in national or international affairs, because it is not large enough. I am sorry that it is so, but I did not create my personality; it was a gift to me and I am doing the best I can with it. It is probably true of most men. They write as much insurance as they can and build up agency forces as they are able, and schemers and bad laws have but slight effect upon their achievements. Observation will justify these conclusions at almost any time. In the seventeen years that I have been associated with life insurance solicitors, I do not recall at this moment that I ever met a man of large personality who complained of laws, handicaps or conditions. If it seemed necessary, I could quote figures liberally to show that during the trying ordeal of the last three years hundreds of solicitors have annually increased their personal writings. It has been my experience that the men who are so anxious about reform are the ones who are dissatisfied with themselves and are searching for an excuse to preserve their self-respect. I do not assert this of all reforms or of all solicitors. I mean simply that I have never yet met a man who was a large success in the life insurance business who troubled himself much about rebaters, schemers, Federal supervision, or any of the abuses of the business. The successful man is generally too busy to worry about reforms. I therefore do not share the optimism of my friends who believe that Federal supervision will cure all the ills that flesh is heir to, and that we shall live happy forever afterward.

One cannot assimilate many pages of history without being convinced that laws are seldom more than a step in the right direction. Slavery was injurious both to the slave and slaveholder, and not a great while ago we abolished it in this country. Since then the negro has been more comfortable in some respects, but did the blow that struck off his chains transform him into a highly civilized anglo-saxon? The question answers itself. The truth is that good is always in the making, and that it is never entirely finished. I have science, history and the whole world's experience to support me when I venture the assertion that not one solicitor would write a larger number of applications under Federal supervision than he would under present conditions. Therefore, if immediate personal success is what solicitors are hoping for under a change of laws, government regulation will be a disappointment. Nevertheless, my present conclusion is that Federal supervision under wise laws would represent the highest thinking of our civilization, and, like the Panama Canal and other enterprises which are designed to benefit future generations as well as the present, it should be patiently and earnestly striven for. I give my "heart, my hand and my sacred honor to this vote."

LIMIT OF NEW BUSINESS BY NEW YORK LAW.

It seems evident that the limitation of new business imposed by the New York law, which became effective this year, will not affect more than a very few companies for a number of years to come. The accompanying table, based on the returns for the year 1906 of companies reporting to the New York Insurance Department, shows that had the limitation been in force that year, it would have reduced the business of but one company. All the companies together wrote less than sixty per cent of the limit allowed and but eighteen out of thirty-two exceeded fifty per cent of their allowance.

It will be remembered that the law provides for the following limitations: Companies having fifty millions and less than one hundred millions of paid-for insurance in force, thirty per cent; over one hundred and less than three hundred millions, twenty-five per cent; over three hundred and less than six hundred millions, twenty per cent; over six hundred millions and less than one billion, fifteen per cent, and over one billion not to exceed $150,000,000 of new paid-for business. Companies with less than fifty million are not limited, but, in order to make the tabulation complete, we have adopted the original draft of the law, which specified fifty per cent.

Among the serious defects of the law is that of failing to take into account the natural terminations each year, which, in the very nature of things, must increase and eventually reach and possibly exceed the volume of new business permitted. By natural terminations we mean those policies which go out by death, maturity of endowments, and expiration of term periods (not counting in this latter item policies extended under the term insurance option). It would have seemed only reasonable to allow the companies to replace these natural terminations before imposing the limitation and the table herewith shows the several amounts for 1906. The compilation, here submitted, is worthy of careful consideration, as it shows clearly how unnecessary such legislation was.

COMPANIES.	Insurance in Force, Jan. 1, 1906.	New Business Paid for in 1906.	Insurance in Force, Jan. 1, 1907.	Limit of New Business in 1907.	Natural Terminations, 1906.	Per Cent. Written to Limit.
Ætna Life	250,858,315	28,595,629	261,362,984	65,340,746	5,944,640	43.76
Berkshire	63,901,165	4,188,150	65,110,667	19,533,200	957,039	21.44
Columbian National	30,376,331	14,669,725	38,810,646	19,405,323	84,660	75.60
Connecticut General	30,224,431	5,793,149	33,665,096	16,832,548	422,371	34.42
Connecticut Mutual	169,412,783	10,464,537	171,701,156	42,925,289	4,533,247	24.38
Equitable. New York	1,449,440,390	82,167,395	1,376,676,369	150,000,000	30,980,652	54.78
Fidelity Mutual	114,888,201	17,688,861	118,143,518	29,535,879	1,955,751	59.89
Germania	109,127,609	14,480,177	114,189,167	28,547,292	2,530,326	50.72
Home Life	79,775,340	13,825,362	86,113,559	25,834,068	1,258,425	53.52
John Hancock	146,491,588	34,539,550	167,069,389	83,534,694	1,204,186	41.35
Massachusetts Mutual	192,362,811	21,262,023	202,496,761	50,624,190	2,492,776	42.00
Manhattan	76,024,255	10,057,890	74,407,461	22,322,238	1,569,055	45.06
Metropolitan	377,578,487	100,463,999	428,184,083	150,000,000	3,165,696	66 99
Mutual Benefit	383,113,552	49,499,816	412,119,264	82,423,853	9,142,861	60 06
Mutual, New York	1,589,549,468	85,012,793	1,517,257,180	150,000,000	28,217,725	56.67
Mutual Reserve	98,310,740	9,744,177	80,407,420	24,122,226	2,357,125	40.40
National of Vermont	142,049,978	21,595,914	148,797,787	37,199,447	2,827,741	58 06
New England	164,728,147	18,823,903	173,396,203	43,349,051	2,706,010	43.42
New York Life	2,061,593,886	167,531,112	2,029,605,718	150,000,000	*25,969,175	111.69
Northwestern Mutual	764,266,187	93,885,273	819,252,279	122,887,842	10,637,221	76.40
Penn Mutual	366,870,020	58,184,340	396,319,522	79,263,904	7,761,232	73.41
Phœnix Mutual	87,813,040	16,759,355	97,583,284	29,274,985	1,569,450	57.25
Provident Life and Trust	174,008,323	19,217,963	182,679,367	45,669,842	3,705,419	42.08
Provident Savings	96,768,367	14,991,598	94,530,269	28,359,081	5,931,396	52.86
Prudential	431,777,561	79,055,089	464,840,841	150,000,000	*3,596,017	52.70
Security Mutual	51,010,771	9,014,227	51,042,299	15,312,690	603,195	58.87
State Mutual	113,159,331	12,938,851	118,748,180	29,687,045	1,753,105	43.58
Travelers	155,286,469	21,696,773	166,735,543	41,683,886	3,075,578	52.05
Union Central	228,114,041	30,913,364	242,141,715	60,535,429	3,490,346	51.07
Union Mutual	64,163,238	9,986,595	67,038,856	20,111,657	1,845,139	49.66
United States	39,452,099	2,215,149	37,350,422	18,675,211	1,064,248	11.86
Washington	63,255,371	6,460,006	61,032,283	18,309,685	1,819,839	35.28
Totals	10,265,732,275	1,085,622,745	10,298,809,308	1,851,301,301	175,181,646	58.64

* Not including terminations by expiry.

CERTAIN PROVISION FOR THE WIFE.

An agent recently found that a prospect had three hundred dollars which was in imminent danger of being dissipated, in one way or another. He was willing to purchase life insurance with it—but, as he informed the agent, his wife wanted him to give it to her to purchase certain stock with—one of the few stocks that a woman is apt to hear about.

"But then," said the man, "my wife don't want insurance."

The agent asked him if he consulted his wife before purchasing a bill of goods for his store. No, of course not.

Then the agent proceeded to tell the man that if his wife, inclined to dip into stock speculation, were left a sum of money, on a life insurance company, she would, in due course, lose it all.

He then showed the man how he could provide for his wife, and protect her, in spite of herself, by purchasing an income policy which would ensure her comfort and guard her fortune, at the same time.

NEW POLICY OF THE PHOENIX MUTUAL LIFE.

On January 1 next, the Phœnix Mutual Life Insurance Company of Hartford, Conn., will issue a new contract, based on even more liberal lines than the present concededly splendid form. It provides that after ten years the entire reserve is available either in cash, or in the purchase of paid-up or extended insurance. All paid-up policies are participating and have cash and loan values equal to the entire reserve, and extended insurance may be exchanged for paid-up form. Thirty-one days of grace are allowed in payment of any premium, and reinstatement is permitted at any time within five years. Dividends are credited to the policy whether the succeeding premium is paid or not and may be applied in a variety of ways. The automatic premium loan feature will be applied, if requested by the insured, so long as the cash value will allow of it. At the maturity of the policy four options of settlement are available so as to meet all the requirements of the parties in interest. The contract is absolutely free from conditions as to travel, residence or occupation, and requires no permit or extra premium for military or naval service, either in time of peace or war. The agents of the company will find this new contract full of good talking points, while the well-established reputation of the company is a guarantee that all its promises will be kept.

NEW POLICIES OF THE UNION CENTRAL.

Among the new policies to be issued with the advent of 1908, that of the Union Central Life of Cincinnati will attract attention through its simplicity. It is printed in large, clear type, while the conditions, benefits and privileges are stated in clear and concise language. The policy provides for change of beneficiary; grace of thirty-one days in payment of premiums; incontestability after one year, except for violation of the condition relating to military or naval service in time of war; annual dividends from end of second year; non-forfeiture after three years, including automatic extension, or paid-up policy or cash value; loans after three years and reinstatement within three years from lapse. The surrender charge against the policy is limited to 2½ per cent of the amount insured, and loans are not foreclosed for non-payment of interest until the indebtedness against the policy equals the cash value. The policy constitutes the entire contract, all statements of the insured being deemed representations and not warranties. With the well-established reputation of the company to back it, this policy should prove a valuable aid to the agents in procuring new business.

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